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Follow-up to the World Summit for Social Development: contribution to the overall review of the implementation of the outcome of the Summit

Comprehensive report on the implementation of the outcome of the World Summit for Social Development

Report of the Secretary-General

Summary

The World Summit for Social Development, convened by the United Nations at Copenhagen in March 1995, was a milestone in strengthening commitments by Governments to social development and to strategies for improving the human condition. The choice of its core themes — the eradication of poverty, the achievement of full employment and the promotion of secure, stable and just societies — signified a recognition by States to the importance of making social improvements an integral part of development strategy at the national and international levels as well as to placing people at the centre of development efforts.

On the recommendation of the Summit, the General Assembly decided in 1995 to hold a special session in the year 2000 for a review and appraisal of the implementation of the outcome of the Summit and to decide on further initiatives to strengthen the effectiveness of implementation. At its organizational session held in New York from 19 to 22 May 1998, the Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives requested the Secretary-General to submit to it at its second substantive session, in 2000, a comprehensive report assessing the overall level of implementation of the outcome of the Summit, including the identification of constraints, obstacles, successes and lessons learned, as well as recommendations for further actions and initiatives at the national and international levels. At its first substantive session, in May 1999, the Preparatory

Committee invited the Commission for Social Development, at its thirty-eighth session, in February 2000, to undertake an overall review of the implementation of the outcome of the Summit, and to transmit the results of its deliberations to the Preparatory Committee at its second session, in April 2000. The Economic and Social Council, in its decision 1999/259, approved the agenda of the thirty-eighth session of the Commission, which included a report of the Secretary-General on the comprehensive assessment of the overall level of implementation of the outcome of the Summit as part of the requested documentation.

At the request of the Preparatory Committee, the Secretary-General invited Governments to submit to the Secretariat information on implementation of the outcome of the Summit (see annex I). In order to facilitate national reporting as well as to ensure a reasonable degree of comparability and coherence in the presentation of the data, guidelines on national reporting were formulated (see annex I, appendix). The Secretary-General invited Governments to submit their national reports by 30 June 1999. By 1 July 1999, 18 replies had been received. However, the present report is based on a total of 74 national submissions which had been received by the Secretariat as of 1 December 1999 (see annex II). Despite the late arrival of many national reports and within the limits of available human resources, the Secretariat has made every effort to reflect the depth, variety and richness of the submissions received.

In the context of the preparatory process of the special session, two reports of the Secretary-General on the preliminary assessment of the implementation of the outcome of the Summit (E/CN.5/1999/4 and A/AC.253/7) had already been submitted to and discussed by the Commission for Social Development at its thirty-seventh session, in February 1999, and the Preparatory Committee at its first session, in May 1999, respectively. Those reports, which draw primarily on information then available within the United Nations system, remain a useful complement to the present comprehensive report.

The report contains four parts. After the overview, part one highlights national strategies and policies for the implementation of the outcome of the Summit and is based exclusively on the information contained in the national submissions. Apart from the efforts made by Governments to achieve the three core goals addressed by the Summit, part one also highlights specific national policies on the mobilization and utilization of resources for social development at both the national and international levels, as well as capacity-building efforts to implement social policies and programmes. While not all States were able to reply to the note verbale sent by the Secretary-General, the number and geographical distribution of the reports received do provide a sufficient and representative basis for the presentation and analysis of pertinent issues. Part two depicts the scope of regional and international cooperation for social development, including new modalities and institutional arrangements to achieve the goals of the Summit, and is based on the information available from the regional commissions, the specialized agencies, the funds and programmes and other national and international bodies. Part three presents a series of regional overviews and analyses, which evaluate the implementation of the Summit in the context of progress achieved, constraints encountered and lessons learned. It is based on the national reports received as well as on other information available to the Secretariat. Part three strives to determine as systematically and comprehensively as possible the effectiveness and impact of national efforts, highlighting them in a regional context and against the major goals set by the

Summit. Part three also aims to fill some gaps in geographical coverage and substantive information. Finally, part four provides an analytical overview and conclusions of the entire report based on 11 cross-cutting issues arising from national reports and regional and global trends. It also provides the context for discussion of suggestions put forward by Governments regarding further initiatives. In annex III, the report briefly highlights progress towards the quantitative targets set by the Summit.

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I. Overview

A. Main findings

1. Social development has been severely tested in the five years which have elapsed since 117 heads of State or Government pledged at the World Summit for Social Development to make the eradication of poverty, full employment and the fostering of stable, safe and just societies their overriding objectives. The purpose of the present report is to assess the degree to which the 10 commitments for social development made at Copenhagen have been implemented and have resulted in a concrete impact on human welfare.

2. Perhaps the most important change in the world which has taken place since the Summit is the increased priority which social development has been given vis-à-vis other policy objectives. For example, when major financial crises occurred in East and South East Asia, in the Russian Federation and in Brazil, the social consequences of these crises were in the forefront of the international policy debate about the damage they cause, how to cope with these disasters and how to prevent similar crises in the future. When negotiations take place on issues of international trade or of foreign direct investment, these are no longer viewed by political leaders and by national or international public opinion as purely economic or technical concerns to be left to the experts. Increased attention to the social dimensions of economic policies as well as greater openness and public debate around such policies are new characteristics of the post-Summit period.

3. Since the Summit, there has been a growing awareness of the need to reconcile social and economic policy. Many Governments have reported on levels of poverty, income inequality and unemployment which are unacceptable in human terms, which have become unsustainable politically and which inflict such terrible financial costs that a new vision for economic policy has been required. This realization has various manifestations, including the growing concern of a number of national and international institutions, which were previously narrowly focused on economic policy but which have now adopted poverty eradication as a central goal.

4. Overall, some clear progress in social development has been achieved. Areas of progress include:

- Greater awareness of and commitment to social development as an overriding goal of government policy;
- Heightened visibility for the various dimensions of social development in national policies and in international institutions;
- Increased attention to the goal of full employment, renewing hope that it is an achievable goal. Progress, however, has been slow and uneven and threatened often by hidden underemployment, widening informalization and lack of social protection;
- Continued progress in literacy and life expectancy, increased school enrolment and access to basic social services, and declining infant mortality despite local and at times severe setbacks;
- Incremental movement towards equality between men and women in major regions of the world, despite the persistent tendency for women to be the first losers in times of crisis and restructuring;
- Increased allocations of domestic resources for social development in relative and often absolute, terms by many Governments;
- Attempts to improve policies, programmes and facilities in support of the more marginalized and vulnerable people in most countries.

5. On the other hand, the world has clearly regressed in other ways:

- Although relative poverty may have declined, the absolute numbers of people living in poverty globally have continued to grow;
- Local and regional conflicts have caused setbacks to social integration in many countries;
- The world has become a more unequal place, both within and between nations, with increasing inequalities in income, in employment, in access to social services and in opportunities for participation in public and civil society institutions;
- Contrary to the commitment made at Copenhagen to strengthen cooperation for social development through the United Nations, resources allocated for this purpose have declined. The burden of debt has also grown markedly, further squeezing

resources available for social development. Recognition of the unsustainability of this debt, however, has led to strengthened debt reduction policy for the poorest countries;

- With the liberalization of capital flows, the world has become more vulnerable to sudden financial shocks with severe social and economic consequences. Furthermore, the real victims of such shocks are increasingly powerless to rectify their social situation.

6. This summary does little justice to the ambiguities and complexities of evaluating progress or setbacks since the Summit. Accurate generalities are impossible because trends are so diverse. Progress and regress are striking at various times and places, and barely discernible at others. Progress itself also is not a straightforward concept. Therefore, a number of cross-cutting issues merit attention when evaluating both reasons for and obstacles to progress.

7. Key issues which emerge from the reports and which could appropriately be addressed in the debate about further initiatives are set out below.

Importance of rehabilitating the public sector

8. The process of economic reform has in many cases weakened the capacity of the State to promote social development. One of the lessons learned from recent financial crises is that liberalization and privatization should not take place at the expense of an appropriate regulatory framework. A strong, transparent public sector is required to oversee the process of economic reform and to create an enabling environment for social development. While there has been a transformation of the public sector towards the role of enabler rather than that of universal provider, this latter function nevertheless requires the strengthening rather than the weakening of public institutions. The "rehabilitation" of the public sector involves strengthening the legal and regulatory framework and the transparency and predictability of public institutions as well as their capacity for enforcement.

Growth of inequality

9. Growing inequality within and between nations calls for more focused policies aiming for a more equitable distribution of resources and of opportunities within and among nations. Whereas inequality was once viewed as the price paid for economic growth, it may in fact have become an impediment to sustainable growth. Inequality relates directly to all three of the main themes of the Summit — poverty, unemployment and social exclusion. Inequality in incomes, skills and access to social services is an issue that affects future generations as well as the present one. Urgent action is required to replace inequality with solidarity and to ensure that opportunities are not rationed to the lucky few but rather are available to all.

Informalization of employment

10. In many developing countries, formal sector employment represents a small and declining share of the labour market. Since in many parts of the world, formal sector employment is not growing fast enough to absorb an expanding workforce, there is renewed interest in the informal sector as a means to absorb new job seekers. Furthermore, the informal sector is no longer just characteristic of developing countries: all over the world, the informal sector is growing in a symbiotic relationship with the formal sector. Globalization and liberalization are resulting in new linkages between the formal and informal sectors. Therefore, a major challenge for employment policy is in how to improve revenues from and social protection in the informal sector. In some parts of the world, companies are relying on subcontracting labour and products as a way of avoiding providing employment benefits. Membership of labour unions has been declining in many parts of the world.

Working poor

11. Although in some parts of the world employment has increased, all too often new jobs are of low quality and associated with insecurity, low wages and inadequate social protection. Increasingly, employment is not sufficient to bring people out of poverty. Therefore, an important issue is the growing phenomenon of the "working poor" and what can be done to improve wages, job security and social protection at the low end of the labour market.

Making economic growth more employment-intensive

12. One major challenge facing the Summit process is how to create more and better jobs, not just through fostering faster economic growth but by enabling this growth to be more employment-intensive. There is

considerable scope for creating new jobs within the limits of existing resources and using market-based parameters by reorienting investment policies in a pro-poor and employment-friendly direction. Countries implementing welfare-to-work policies, or embarking on public works programmes, community-based infrastructure development or urban rehabilitation all have an interest in maximizing the impact of these initiatives on employment. Unemployment represents an enormous cost to society, just as does environmental pollution. The costs and benefits of introducing incentives for employment creation should be weighed against the costs inflicted on society by high levels of unemployment and underemployment. To be sustainable, such programmes should also foster increasing worker productivity, training and rely on market-based mechanisms.

Conflict, crises and social development

13. Wars, local conflicts and natural disasters have had a devastating negative impact on social development in many countries. Scarce development resources are being allocated to an increasing number of crisis interventions that are much more costly, in both human and financial terms, than crisis prevention and longer-term investment in human development. Such crises are not only more costly than not investing in social development but are often the result of failing to make such investments. Economic sanctions have severely constrained development in several countries. How can conflicts, crises and disasters be better managed to reduce the extent of these destructive consequences? A major challenge facing the special session is how to translate the same sense of urgency and political will created by conflict and humanitarian disasters into positive and ongoing action in favour of social development.

Financing of social protection

14. Some Governments are improving social security while others are cutting back on systems providing social protection or social assistance. Such systems are being increasingly targeted towards the most vulnerable groups in society. However, targeting and means-testing of benefits can lead to a reduction in social solidarity which in turn erodes political support and resource allocations for those services. How can solidarity and sustainability be reconciled with the need for greater effectiveness in providing social services?

Reversing the decline of official development assistance

15. While certain countries have increased allocations of official development assistance (ODA), this has taken place in the face of an overall trend of decline despite the pledges made at Copenhagen. What strategies can be adopted to reverse this trend and to increase solidarity between nations and peoples? Although ODA may be viewed as a cost to donor countries, it in fact represents a good investment, pre-empting higher future costs by growing global disarray. A number of European countries have taken firm action to meet and even surpass their commitment on ODA. However, the full impact will be felt only if the major economies follow that example.

Debt reduction

16. Debt servicing has become a severe and growing burden. How can debt relief be most effectively implemented so as to increase social expenditure? What institutional arrangements and policies can countries adopt that could increase their attractiveness to private investors, without squandering their resources or the potential benefits? Additional mechanisms at both the national and international levels are called for to ensure that debt relief supports poverty eradication, to speed up the pace and widen the scope of debt reduction, and to help beneficiary Governments from falling back into unsustainable levels of debt.

Globalization and liberalization

17. Globalization and liberalization are posing new although not identical challenges to and opportunities for social development. There is growing concern with achieving a more equitable sharing of the benefits of globalization. Many Governments, which have made great sacrifices in the framework of economic reforms and liberalization of their economies, feel they have yet to reap the anticipated benefits. What global institutional mechanisms are required to address the impact of liberalized trade and capital movements on social development? Although flows of labour have not kept pace with liberalization of trade and investments, new forms of employment and labour mobility should be anticipated and addressed in the global economy.

What policies, strategies and tools can be developed to manage better the process of globalization to the benefit of human development? A major challenge facing the special session will be how to address social development in an integrated manner, that is, how to globalize social development while at the same time respecting local values and cultures.

Local development and values in the global economy

18. Many Governments have expressed concern that all-pervasive markets have eroded traditional values. There is also seen to be a growing discrepancy between global market-based values and local values based on cultural and regional specificity. Globalization cannot be addressed in isolation from the simultaneous trend towards decentralization and devolution of responsibilities to local government. This trend towards localization has been amplified by the urbanization of the planet, increasing the importance of cities and urban governance. While urbanization was once equated with the development of industrialized economies, the highest rates of urbanization are now found in developing regions. Urbanization is a critical factor influencing social integration and participation. Decentralization can be conducive to greater participation and accountability but is not necessarily conducive to equitable distribution of resources across regions and population groups. How can these conflicting concerns best be reconciled? How can local culture and society keep pace with the global economy and leave room for both local autonomy and diversity?

19. National reports have identified these and other issues as part of their assessment of implementation. Each is a global issue affecting — albeit in different ways and to varying degrees — all regions of the world. By providing a forum for exchanging experiences and for comparing what has worked and not worked in different situations, it is hoped that the present comprehensive report will contribute not only to evaluating progress but also to developing further initiatives for social development.

B. Assessing progress in poverty eradication, full employment, social integration, resource mobilization and capacity-building

20. Part one contains summarized contents of a total of 74 national reports received from Governments in response to a note verbale from the Secretary-General (the note verbale is reproduced in annex I). The national efforts and achievements to implement the outcome of the Summit are presented in sections II-VI on poverty eradication, employment creation, social integration, mobilization of resources and capacity-building for social development.

21. All reports reiterate the commitment of Governments to achieve the objectives of poverty eradication, employment creation and social integration. In their strategies, policies and programmes, Governments place priority on overall social development and many have formulated strategies for the eradication of poverty within identified periods of time. Governments have also set up institutions and mechanisms specifically with responsibilities for implementing programmes to which countries committed themselves at the Summit.

22. It is evident from the responses of States that achieving the objectives of poverty eradication, employment creation and social integration is not only the outcome of policies that are highly integrated but also affects deeply other aspects of society, including the political. High rates of economic growth absorb reserves of unemployed labour and reduce unemployment in the long run, but it is also clear that economic growth alone is insufficient to achieve full employment; it must be accompanied by the right balance between the demand and supply of labour. Similarly, high rates of economic growth are conducive to social integration, but targeted policies aiming explicitly to strengthen social integration are also essential. Political processes, the nature of the State and efficiency in Government are essential for the mobilization of resources for social development, both domestically and overseas, and in capacity-building for the formulation and implementation of policies and programmes. Civil society groups have become indispensable partners to Governments in their efforts to eradicate poverty, create employment and promote social integration.

Poverty eradication

23. Governments report on a broad range of initiatives to alleviate poverty, including measures to promote macroeconomic growth, stabilization and structural adjustment; the adoption of national anti-poverty programmes, policies and strategies; the creation and expansion of social security systems; efforts to increase public transfers and public spending on social services, in particular improvements in health and education; and the implementation of specific projects and programmes in such areas as rural infrastructure development and income-generating activities aimed at improving agricultural output.

24. However, despite this plethora of national measures, it is evident from the national reports that the years since the Summit have posed severe problems for poverty eradication. In the least developed economies, mostly in Africa, economic growth has barely resumed. In the countries with economies in transition, universal social security schemes have broken down and no adequate arrangements have been introduced to replace them. Member States affected by recent international financial crises have suffered reduced incomes and increased poverty. In some developed countries, high unemployment, increasing inequality in income distribution and changes in welfare policies have done little to reduce poverty. Floods, drought, tornadoes and earthquakes have also increased the numbers living in poverty. The HIV/AIDS epidemic has cost many lives, stretched the demand for medical services and left many children orphaned and poor. Civil war and ethnic conflict in a number of countries has reduced rates of economic growth, destroyed physical assets, disabled large numbers and killed many. Economic sanctions have reduced the capacity of affected countries to grow and increased the number of poor in those societies. Large populations have been displaced or driven out as refugees to eke out poor living in great discomfort. War has also claimed resources that could otherwise have been used to provide social services.

25. All countries seek sustained economic growth as a basis for a sound social development. Many developing countries have carried out radical economic reforms to stabilize prices, reduce the role of government and change the structure of their economies. These reforms, however, have together often increased unemployment, reduced the security of employment and incomes and so increased poverty. Cutbacks in government expenditure as well as increased foreign debt servicing has reduced the resources for poverty alleviation. The promise of poverty eradication as a result of faster growth consequent upon stabilization and structural adjustment programmes generally remains to be delivered. Even where economic growth has been sustained over the short term, there has often been no substantial increase in employment.

26. The drop in economic activity following the financial crisis has exacerbated the need for social security arrangements to look after the well-being of those temporarily unemployed. In economies in transition, negative or stagnant economic growth and inflation has reduced the resources available for alleviating poverty. The long process of institution-building, including those of government, has left populations without mechanisms for providing social security. In developed countries, emphasis on price stability and the political decision in some to reduce dependency on welfare benefits has created new challenges for reducing poverty. The tendency for wages of unskilled workers to fall while economies grew and other wages rose has presented a new set of problems in some of these economies.

27. The constraints on resources for social protection and the failure of economic growth to generate significant employment opportunities is posing dilemmas for policy-making, particularly in developing countries, pitting short-term poverty alleviation priorities against investment for longer-term growth. The absence in many developing countries and some economies in transition of a strong private sector has led many Governments to embrace the need to create an enabling environment that would make it possible for entrepreneurs and the private sector to play an influential role in the process of growth and development.

28. Among the major constraints on eradication of poverty, especially in developing countries, is the lack of resources, weak infrastructures and inefficient administrative systems. Declining terms of international trade and reduced inflows of financial resources further limits the capacity of many Governments. Furthermore, economic growth rates have failed to match rapid growth in populations. In many countries, especially the least developed, reductions in government expenditure have posed several problems. The need for resources for public

services in health, primary education, physical infrastructure, protection of the environment and fundamental institutions remains high in these societies. The private sector is thin and unformed and needs the support of legal and economic institutions that are normally provided by government.

29. Some Governments mention the lack of awareness by the public of the importance of social issues. This has sometimes led to lack of support from civil society for programmes and interventions aimed at the eradication of poverty. The lack of awareness has also constrained participation by civil society in the preparation and implementation of policies to eradicate or alleviate poverty. In some countries, non-governmental organizations are in early stages of development and cannot contribute significantly to the responsibilities of providing social security to the poor. Paradoxically, Governments themselves have been weakened by reductions in the size of civil service and of wages; corruption and the mismanagement of resources has increased in some countries. In order that Governments may perform their functions more effectively, including the delivery of services to the poor, many of them, in collaboration with United Nations agencies, including the United Nations Development Programme (UNDP), have set out to improve the quality of governance.

Full employment

30. It is evident in most national reports that employment is an issue that impacts on other main themes of the Summit, including poverty alleviation, social integration, the mobilization of resources and capacity-building. Employment is at the centre of all aspects of social development, and policies for full employment are an integral part of broader social and economic policies.

31. Governments report on such measures as macroeconomic policies, including liberalization of trade and capital flows at the international level and fiscal and monetary policy and economic and structural adjustment at the national level; the establishment of consultation mechanisms with social partners and civil society in the formulation of employment policies; specific labour market policies to reduce unemployment for women, youth, older persons, the disabled, indigenous people and the long-term unemployed; education, training and skills enhancement of the workforce; efforts to increase labour market flexibility, including more even distribution of employment; local and regional employment initiatives, including investments in infrastructure; and enhancing the quality of employment.

32. The goal of full employment has in practical terms often been neglected in favour of a macroeconomic policy aimed at stabilization, fiscal austerity and budgetary balance. An analysis of national reports reflects a divergence on whether or not employment can best be achieved indirectly, by putting in place what are viewed as sound macroeconomic policies, or directly, by explicitly modifying and targeting such policies to foster employment creation.

33. Since the Summit, social and economic policy has become less the domain of technocrats. Increasingly, these issues are becoming the subject of scrutiny by and indeed the responsibility of politically elected representatives as well as of social partners representing the world of work. The national reports highlight the importance of recognizing that the goal of full employment has political and social ramifications to which economic policy must adequately respond. Whereas robust economic growth continues to be a strong determinant of employment creation, increasing attention is being paid to how to increase the employment intensity of economic growth, both in the skill-intensive knowledge-based economies as well as in labour-intensive developing economies.

34. There have been tendencies to integrate income support policies for the excluded and vulnerable with active labour market policies in favour of those able to work. That trend, while prominent in the labour market, is at the centre of policies designed to combat social exclusion. Social security systems have been installed to provide social safety nets. It has been increasingly recognized that active labour market policies must work to eliminate dependence and to decrease financially and politically unsustainable levels of social assistance by giving priority to employment and inclusion.

35. However, the shift from welfare to work, when poorly implemented, contributes to increasing the number of working poor. In some countries, sharp curtailments in the scope, level and coverage of various forms of social security (i.e., pensions, disability allowances, unemployment insurance and subsidies) has resulted in pushing people into poorly remunerated

employment in an uncertain job market. In countries where an increase in employment of this nature was reported, often the increase has been largely in short-term employment, part-time work and other insecure and poorly protected forms of employment. In developing countries, employment in the formal sector has stagnated and often regressed with increased employment confined largely to the informal economy. Therefore, the challenge of employment policy is not simply on creating more "jobs" but also on creating what the International Labour Organization (ILO) Director-General has called "decent" work. It is necessary to take uncertainty and insecurity out of employment in developed countries and improve productivity and extend social protection in the informal sector in developing and transitional economies.

36. A final conclusion relating to employment derived from the reports is the importance of implementing policies and programmes to achieve goals set by Governments and the rest of society. In many countries, Governments have developed national policies and programmes for employment creation but employment has either stagnated or in some instances regressed. Setting national goals and policies is essential, but unless implemented with a determined effort that process achieves little.

Social integration

37. From the reports of Governments, it is evident that social integration is the outcome of many forces in society and a particularly complex objective to achieve. National efforts to foster social integration range from the promotion of democratization, equality of treatment and human rights, and participatory forms of governance to the social protection and inclusion of social groups, such as children and youth, older persons, persons with disabilities, families, ethnic minorities and migrants, refugees and displaced persons.

38. The national reports show that expansion of economic space often permits better integration of various groups in society, but slow economic growth and development in some and economic decline in others during the last five years have been a principal barrier to closer social integration. People in poverty have been marginalized, with poor capabilities to participate fully in the functioning of their societies. Unemployment has not only driven persons into poverty but also disrupted social bonds and networks established through the workplace. Unemployment and poverty has reduced chances for children to receive education and fully participate in common processes of socialization.

39. Reduced government resources have cut down the capacity of Governments to implement policies and programmes to promote social integration. Yet many Governments have enacted laws, established new government agencies and implemented policies and programmes to bring communities together, to enable the disabled and the aged to fully participate in the activities of their societies, to reduce deprivation, to eliminate discrimination, to provide social protection, and to increase mutual understanding and respect for each other. Several Governments have also actively adopted international norms and standards to promote social integration. More resources and the more effective use of resources in programmes to promote social integration have proven to contribute substantially to those ends.

40. The adoption of democratic forms of government by many countries has contributed to opening opportunities for people to participate in decision-making regarding governance and the implementation of policies. Devolution of political power, the decentralization of administration and the development of local and municipal government are reported to have contributed to greater social integration. In some countries, conflict between ethnic and religious groups has been solved or eased by adopting one of the means mentioned above. That they persist in several other countries is proof of the inadequacy of these approaches to reconcile the rival claims of contending parties. Fresh understandings and approaches need to be developed to avoid large-scale violence, destruction to persons and property and damage to human welfare.

41. Avoiding and reducing conflict among groups in each society has been a crucial necessity in several countries to further social integration. Conflict over the distribution of resources and benefits from government action has sometimes caused division. At other times, conflicts have arisen regarding who should control instruments of government.

42. The search for identity within groups smaller than the nation State has made the tasks of social integration much more difficult. Those tasks have distracted attention and resources from the positive aspects of

social development to those of conflict resolution, the reconstruction of destroyed physical infrastructure, rehabilitation of populations that were displaced or that fled as refugees and the restoration of peace. There are major tasks of disarmament, building up confidence between deeply divided parties, reconstruction and development and the installation of institutional machinery to avoid future conflicts.

43. One of the more encouraging developments in the growth of participation by people in government and society has been the strengthening of civil society institutions. They provide means for people to work together to promote common interests, to work independently of government and exercise checks on excesses committed by Governments.

44. Reports from Governments give detailed accounts of policy initiatives to integrate various social groups into the mainstream of economic and social activity. Children and youth, older persons, the disabled and those with special needs have received attention in almost all countries. The family is often considered an institution of high value in these initiatives.

45. International attention to the solution of problems of social integration has been of many kinds. The United Nations and regional organizations have been instrumental in stopping violence and establishing peace in a number of instances. There have been many more instances where, resources permitting, the international community could have acted more forcefully to stop internal conflict. The work of caring for displaced persons and refugees also suffered from a similar scarcity of resources. With greater commitment, the international community could contribute far more substantially to integrating persons affected by conflicts into their societies and more important, to prevent the outbreak of discontent and disagreement into open warfare and destruction.

Mobilization and utilization of resources for social development

46. The mobilization of resources, domestic and foreign, their allocation and efficient utilization are central to achieving the objectives of the Summit. At the national level, Member States report on improved means by which resources for social development have been mobilized, including reforms of their systems of taxation and the financing of social services through the introduction of user fees and various cost-sharing schemes. To improve on the utilization of existing resources, many Governments are reallocating within budgetary limits to increase social expenditures and carrying out reforms to improve the efficiency and effectiveness of public resource use. With respect to mobilization of resources at the international level, the reports underline the importance of ODA in promoting social development, with both recipients and many donor countries expressing concern over declining levels. Several donor countries report on reorienting priorities and principles in ODA towards basic social development objectives.

47. Governments report on a variety of national arrangements for resourcing social development. In most instances, Governments are the principal source. The contribution of the private sector is of varying significance among countries, significant in some and marginal in others. Non-governmental organizations and the community at large are not insignificant contributors of resources for social development. Several Governments reported on the value of contributions in kind for capital projects in education.

48. Some social services, including primary education and health care, are viewed as being in the nature of public goods and are paid for out of government revenue. However, these are not the only publicly financed services paid for out of public funds. In instances where higher education and sophisticated curative health services are paid for out of public funds, there can be adverse effects both on efficiency and equity; more services are sometimes provided than are necessary, and those with higher levels of income receive implicit transfers from those in lower levels of income. User fees have been tried in several countries as a means of reducing the demand for unnecessary services. In some of these instances, adverse equity consequences have been encountered: the poor are denied services because they cannot afford to pay even low fees to cover a minor portion of total costs of those services. A variety of mechanisms exists through which costs of higher education and expensive health can be recovered without adverse consequences for equity.

49. The allocation of resources for social development receives high priority in government policy in all countries that report on the matter. Many Governments report scarcity of resources and problems of allocation among many important and urgent programmes. In those circumstances, it is of the utmost importance to ensure that costs are minimized and the

effectiveness of expenditure maintained at a high level. Sophisticated budgeting and accounting techniques have been adopted in several countries. The cooperation of local governments and beneficiary communities has been found to be valuable in raising efficiency in the delivery of services. Different methods of paying for services have also been found to be effective in restraining costs, although some of these techniques put unrealistic demands on market information in developing countries.

50. Regarding the mobilization of international resources, several countries, mainly donors, address the issue of the role of international assistance in realizing the goals of the Copenhagen Declaration and Programme of Action.

51. In general, the importance of international funding for social development is underlined by most countries and increasing attention is being given to social development in development cooperation. Poverty eradication through sustainable development is defined by many countries as the chief objective of international development assistance. Funding policies frequently make explicit provisions for investment in basic social services, especially education and health. Strategies to combat social exclusion, and to a lesser extent unemployment, form part of most donor-supported poverty eradication strategies.

52. A significant proportion of the ODA of major donors is directed towards Africa and the least developed countries. There is widespread recognition that the debt burden faced by the most indebted countries is unsustainable and constitutes a major obstacle for social development. This is being matched by new initiatives to address both the debt problem and social development, in some cases simultaneously.

53. Concern over the overall decline in ODA is widespread and includes many traditional donors. ODA levels have fallen from 0.35 per cent of GDP of donor countries in the 1970s and 1980s and 0.33 per cent as late as 1992 to 0.23 per cent of gross national product (GNP) in 1998. Nevertheless, the commitment to ODA is generally reaffirmed in the national reports. However, only a handful of countries report on concrete steps to reverse this trend or have adopted timetables to fulfil the agreed target of 0.7 per cent of GNP as ODA. The decline in external assistance for one reason or another is reported to have impacted negatively on social development programmes in several developing countries. Efforts to fulfil ODA targets by the biggest and wealthiest economies of the Group of Seven Major Industrialized Countries (G-7) could make the biggest difference in stimulating an enabling environment for social development.

54. Some countries have restructured their aid policies to focus on a few sectors and countries on the basis of degree of poverty, quality of social and economic policies and governance. The linkage of ODA or debt relief with performance however runs the risk of excluding and marginalizing those countries that for one reason or another are unable to achieve the necessary threshold to qualify for such assistance or relief, defeating the goals set by the Summit to accelerate the development of Africa and the least developed countries in particular and their integration into the global economy.

55. The heavily indebted poor countries (HIPC) initiative and trade-access-related initiatives for Africa and the least developed countries have the potential for making a significant breakthrough for the debt problem of many of the poorest heavily indebted countries, but many developing countries have also felt the need for the initiatives to be broadened to include other categories as well. While initiatives for debt relief, aid, trade access and investments aimed at the poorest countries, some transitional economies and emerging markets is taking place, there are countries in between that continue to face an environment unfavourable to social development. Some countries pointed out that the current classification of countries according to GNP and per capita income masks disparities within countries and limits the ability of some countries, notably middle-income countries, to access concessional finance.

56. The 20/20 initiative has contributed to the better earmarking of funds for social development but deserves to be seen more from the perspective of the efforts of the receiving partner country than as a donor initiative, as it has tended to be projected or seen until now. The difficulties faced by some countries in raising or reallocating domestic resources can, if too strong a linkage is made, affect even the quantum of resources invested in the social sector for which some countries depend heavily on external assistance.

57. The relationship between direct and indirect measures to address poverty in developing countries, the relative role of immediate measures to ameliorate

poverty, such as employment generation and fair remuneration for goods and services by the market, and more medium-term measures, such as primary education and basic health, and the right balance between investments in infrastructure and the social sector are areas that require further consideration.

58. The role of development cooperation in augmenting the productive potential of people in developing countries and building the capacity of the private sector to compete more effectively in the global marketplace and the role of microcredit in generating employment, particularly for women, also needs to be more fully exploited.

59. Greater attention to macroeconomic factors and policies and to greater and differential trade access to developing countries can augment earnings and reduce dependence on aid in the longer term. The idea of linking debt relief to earnings from exports by improving trade access could be considered.

Capacity-building for social development

60. Capacity-building is an important means of creating a national political, socio-economic and legal environment conducive to development and social progress. Member States have taken a number of actions to enhance their capacities to achieve the goals of the Summit, including adopting long-term strategies for social development; conducting national assessments of their institutional capacities; taking legislative action to create an enabling environment; establishing partnerships with civil society; the promotion of decentralization and local governance; furthering accountability, transparency, and good governance; and strengthening the implementation, monitoring and evaluation of social policies, programmes and projects.

61. Almost all countries have taken some form of measure aimed at improving institutional capacity for social development. These measures sometimes take the form of reorganizing ministerial functions, unifying all departments directly interacting with the general public in one agency. In other cases, they encompass the creation of cooperation councils or bodies within Government. Improving information systems and training government staff in various skills are also quoted.

62. Action taken through legislation is cited often as a means of strengthening the capacity to address social issues in Government. From the national reports, however, it is evident that legislation alone is not sufficient to effectively contribute to the capacity of Governments. Although it certainly supports the authority of Governments in undertaking action, other conditions are needed in order to establish effective social programmes and policies.

63. One such condition is the establishment of active partnerships with civil society. The reports provide evidence of a strong correlation between Governments' ability to effectively, smoothly and directly implement policies in society and their responsiveness to the actors in the societies they serve. Most of those successful partnerships have been established at local levels. Effective local governance is a valuable tool for good government and effective capacity-building. The various experiences reflected in the reports demonstrate that good results are achieved in any social development programme which has strong, institutionalized links to the local communities that it aims to serve.

64. As demands for transparency, accountability and good practice directly call on government to perform its tasks more efficiently and effectively, good governance has a direct impact on capacity-building. Good governance requires a strong civil society that is free and unobstructed in making fair and accurate assessments of Governments' performance, and by doing so, can make a significant contribution to the implementation of social development goals.

65. The establishment of a long-term vision and strategy for social development should be the principal guideline for capacity-building since it stipulates the goals and achievements to be reached with a set time-frame. Proper and swift implementation of social development programmes, policies and projects is important. Long-term visions do not always translate into immediate actions. Some countries report missing links between strategy and policy. Capacity-building measures should therefore ascertain that those visions are translated into action.

66. Finally, there is an unequivocal role of civil society organizations in monitoring, measuring and evaluating progress of Governments in achieving their social development objectives. The independence of voters, civil society organizations and the fact that they are the major stakeholders in social development

activities requires that these groups convey their findings to government in appropriate and open ways.

C. International and regional cooperation for social development

67. Part two of the present report describes activities undertaken and progress achieved in international and regional cooperation. However, more important than describing each and every major initiative in international and regional cooperation, the present report describes a new determination and spirit of cooperation across national boundaries in the field of social development. United Nations funds, programmes and specialized agencies are at the same time sharpening the focus of their activities within their respective mandates, while realizing that many of the solutions to the problems faced by their constituents are to be found outside their given sectors of expertise. To name just a few examples, health, education and employment are closely intertwined, with strong implications for institutional modalities within and outside of the United Nations system. Perhaps even more central are the new initiatives and modalities of collaboration being developed between organizations that were previously viewed as having exclusively either social or economic mandates. The new spirit of consultation and collaboration between the United Nations and its specialized agencies, the Bretton Woods institutions and other organizations, such as the Organisation for Economic Cooperation and Development (OECD), G-7 and the Group of Fifteen Industrialized Countries (G-15) is underpinned by a growing recognition that economic and social policies are not only intertwined, but rather part of the same whole.

D. Evaluation of regional trends in social development

68. Some of the conclusions drawn from the regional analysis of progress achieved, as reviewed in part III of the present report, are set out below. The conclusions are based on an evaluation of implementation of the three core goals of the Copenhagen Declaration, as well as the constraints that were encountered by the countries in achieving these goals. While countries in different regions of the world have encountered similar obstacles in the implementation of the Declaration, the findings are presented by region. Cross-cutting issues, such as globalization, building of civil society, debt relief and other matters of concern, are discussed in more detail in part four.

South Asia

69. From the experience of South Asia in dealing with the three principal Copenhagen commitments, some of the conclusions set out below could be drawn.

70. First, rapid population growth continues to form a heavy burden for many South Asian countries. Without a continuing drop in fertility, it is unlikely that those countries will be able to develop as they hope. Second, the South Asian experience suggests that broad-based and equitable economic development across various income groups is a necessary condition for sustainable poverty reduction. Investments for economic growth and investments in social progress are mutually reinforcing and need to be implemented simultaneously.

71. Third, since conditions which create poverty are different in rural and in urban areas, separate strategies need to be developed for the rural and the urban areas. However, since more than 80 per cent of the poor in South Asia live in rural areas, eradication of rural poverty will require a major expansion of rural investment and agricultural support programmes. Since the experience of policy makers in poverty reduction is dissimilar, it will be important to draw upon success stories and disseminate them.

72. Fourth, there is an urgent need for increased resources for education. There are 395 million illiterate adults in the region, of whom 60 per cent are women and 50 million are out-of-school children to whom another 2.2 million children are added each year because of population growth. It is estimated that if universal primary education is to be attained, facilities need to be created for an additional 65 million children. Massive human investment was a prime factor in East Asia's economic success, a success that can be replicated in South Asia.

73. Fifth, strengthening civil society will be essential to bridge the gap between the State and the citizens, and to facilitate empowerment of the people to take control of their own lives and encourage Governments to work with them in more effective ways. Sixth, peace is a prerequisite for development in South Asia. Defence allocations in the region currently take away

too many resources for development. While the region has 40 per cent of the world's poor, it is spending $12 billion on defence. Ways must be found to create a peace dividend for poverty alleviation.

74. Finally, given the cultural and historical ties between the countries of South Asia, the potential for regional cooperation between the countries is enormous. With a potential 1.5 billion consumers in the region, a large and vibrant middle class and low-wage labour, there is great scope for unleashing the creative economic and social potential of the societies. In an era of globalization, increasing regional cooperation could be crucial for increased prosperity and well-being.

East Asia and the Pacific

75. Several lessons can be learned from the recent experience of the countries of East Asia, particularly those that have gone through a stage of increased unemployment, poverty and social disruption after a period of high economic growth.

76. The first lesson that can be learned from the at times spectacular growth and its positive impact on poverty and employment is that effects have not always been a result of deliberate government intervention but were created by households and families empowered by increased demand and determined to raise their living standards. At the same time, mitigations of the adverse impacts of the crisis on health and education can be traced to the resilience of Asian families in choosing to spend higher proportions of their household budgets on health and education, rather than Governments forcing them to do so. Naturally, the important role of Governments in enabling households to make these decisions must be commended.

77. Second, the countries' policy response to the crisis has rightly been not to turn against the forces of globalization but to reduce their vulnerability to some of their countries' openness and to address macroeconomic issues that had made them vulnerable from the onset of the crisis, such as governance, exchange rate policies, public and private debt, and corporate restructuring.

78. A third obvious lesson from the recent East Asian experience is that a swift policy response is required in times of external shock. It has become clear that a social relief policy, directly aimed at reducing the impact of an external shock on employment, health and schooling systems, needs to be integrated into coping strategy from the very onset of the crisis. This of course requires a strong capacity from Governments to closely monitor those social impacts. To illustrate that point, after almost three years from the onset of the crisis there is still only scarce evidence of the impact of the crisis on household income in Indonesia and even less on employment patterns. Little empirical evidence exists on the perceived negative impact of the crisis on crime, delinquency and drug use.

79. A fourth lesson is demonstrated by the Korean response to the employment crisis — it emerged that large-scale public works projects can at least temporarily serve as a cushion for laid-off workers. What worked in the early 1930s after the United States Great Depression, appears to be working again 70 years later in Asia. Those projects appear to have increased domestic demand, while at the same time offsetting the unemployment problem for a while. It had earlier been noted that the Republic of Korea had lacked the large rural backbone which had managed to absorb the excess labour from the cities, as had been the case in Thailand, Indonesia, and other countries in Southeast Asia. However, in order to succeed, those public works projects should not add to large overcapacities that currently exist in many industrial sectors in Asia; they should be based on sound economic principles and have clear economic and social benefits to society; and should, obviously, not be designed to sustain poorly managed private companies with public funds.

80. A final lesson learned from the post-crisis experience of Southeast Asia so far is that sustained attention to human resource development is a crucial element of any reform and relief package. Investment in health and education had been part of the Asian success story before the crisis. Widespread provision of basic education and health services was a major element of the region's human resource strategy. Substantial progress in life expectancy and declines in infant mortality were achieved. The region has achieved an average life expectancy of nearly 70 years. Equally impressive were achievements in education. The region has attained levels of net enrolment comparable to industrialized countries. Many countries come close to achieving universal primary education, and secondary enrolment has expanded greatly. Moreover, in contrast to South Asia, the gender gap in primary enrolment has almost been closed.

Eastern Europe, the Baltic States and the Commonwealth of Independent States

81. The reconstruction of fundamental institutions of society in Eastern Europe, the Baltic States and the Commonwealth of Independent States (CIS) countries has been more difficult and prolonged than was generally expected. Economic decline, poverty, unemployment and social disintegration over the years since the Summit has been the consequence of those difficulties and delays. There is growing awareness among both policy makers and the public at large that the social dimensions of development are integral parts of the reconstruction processes at work. While the need for short-term and piecemeal measures is well recognized, solutions to problems of poverty, employment creation and social integration are seen essentially as emerging in the long term. The genuine participation and involvement of the public is an essential prerequisite in the search for those solutions. The articulation of the points of view of groups who are in positions of disadvantage is of enormous importance in seeking solutions to their problems. They also need to be partners in processes of decision-making and implementation.

82. Government and processes of governance need to become much more efficient, effective and accountable to the public. The need is not to go back to the omnipresent State but to make it adequate to handle responsibilities for social and economic development. In many cases, the general weakness of States and Governments in this long period of transition has permitted small groups to capture the benefits of change for their personal benefit, at enormous costs to economic and social development. Assets of working enterprises have been stripped and sold for individual enrichment, incomes earned illegally have been transferred abroad, skills of the long-term unemployed have been lost, and misery and alienation have cost many lives.

83. Within those countries, new institutional capacity must be built to enable efficient and effective functioning. Perhaps nowhere has that been better demonstrated than in the failure of tax administrations to collect revenue to meet the demands of public expenditure, which has in turn pushed large sectors of economies into the informal sector.

84. One of the major challenges in post-socialist societies remains the need to enhance civil society institutions and give further stability to civil society. Genuine civic engagement in life of the community and society is indispensable for strengthening the responsibility of citizens for the management of their communities and for shaping the political and economic agenda conducive to social progress and development.

Latin America and the Caribbean

85. Three key issues have emerged from the experience of Latin America and the Caribbean during the last five years which have major implications for the future. They include the increasing participation of NGOs and their collaboration with Governments, the internalization of poverty concerns in government policy, and the effectiveness of government expenditure, when adequately focused.

86. To make social progress feasible, the amount of national and external resources allocated to social programmes needs to be significantly increased. Debt relief and greater stability of international financial flows would contribute greatly to efforts to achieve social and economic development in the region.

87. To have the desired impact, the allocation of resources for social development must be subjected to clear guidelines on effectiveness, efficiency, focus and accountability. In Brazil and Chile, where the proportion of households living in poverty fell by 12 per cent and 13 per cent, respectively, between 1990 and 1996, there is evidence that adequate policies infused with these characteristics could produce good results.

88. To make the processes politically sustainable, there is a need to bring about better collaboration between government and civil society at all stages of policy-making and implementation. Policy formulation in areas other than social development, especially in economic areas, must be coordinated with social policies and objectives. To enlist greater support from the public and increase awareness, social development objectives must be recognized at the same level of priority as that given to economic and other national issues. Capacity to produce useful and reliable data on social indicators must be improved. A holistic approach should be adopted in the design and implementation of policies to increase social integration. Such policies should embrace not only poor and marginalized but also other vulnerable groups

in order to avoid the risk of their situation deteriorating while that of others is improving.

89. Any anti-poverty strategy should include a crisis prevention component and take the needs of the poorest segments of the population as a top priority A pro-poor response to economic shocks should be based on the protection of government programmes, which are aimed at the support of the poor.

West Asia and Northern Africa

90. From the experience in West Asia and Northern Africa, four sets of lessons can be drawn, as set out below.

91. First, substantial equality in the distribution of income and wealth, fairly equal access to social services, little conflict on religious affiliations and informal networks of support and solidarity have served the Arab world well. These informal ties should be strengthened. Policy makers must aim to prevent inequality from sharpening. Informal networks contribute to building social welfare institutions. In some countries, Islamic charities have been prominent partners of the national social welfare agencies. In others, a rigid distinction has been maintained between religious institutions and public social welfare agencies. Whatever the situation, because of the large amount of resources that they mobilize and the impact that they have on social welfare, it would be valuable for them to function with greater efficiency and effectiveness.

92. Second, more information on the incidence of poverty and the way policies and programmes function to reduce poverty would be very useful. Several countries, including Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco and Tunisia, have undertaken poverty assessment studies, sometimes with assistance from the United Nations system.

93. Third, the contribution of the State to the formulation, implementation, monitoring and evaluation of social development policies has been substantial. Special emphasis now needs to be laid on coordination mechanisms and data collection. Coordination and evaluation are especially important in these countries, where the centralized State is strong and there are several public actors. The need to monitor and evaluate regularly the impact of the policies and programmes cannot be overemphasized. However well formulated they may be, policies and programmes can have unexpected effects. Changing contexts and the incomplete knowledge of local cultures may combine to render ineffective the best policies. In many of the Maghreb countries, social observatories have been established to monitor the impact of the social strategies implemented. In other countries in the region, the quality and quantity of data on social development and poverty have improved markedly. Yet publicly financed programme evaluation is rare. When it is not done, more rapid and less costly social assessment would be a desirable alternative.

94. Finally, there is widespread apprehension, in these societies, that their cultures may be radically altered by unfettered globalization. It is feared that Westernization will introduce consumerism, raise criminality, weaken family ties, undermine religious commitment and debase traditional social values. Globalization, arriving in many ways — from tourism to the growing availability of goods produced in the West — is perceived by many as potentially threatening to the social and cultural integrity of their societies. The crucial lesson seems to be the need to acquire capacity to profit from globalization without renouncing the core values and norms of their culture. That is a very complex task, which requires, among other things, institutional change, access to information and better education.

Sub-Saharan Africa

95. The hardest lesson learned from the experience in Africa in achieving the objectives of the Summit through economic and social development is the inadequacy of existing policy prescriptions to respond sufficiently and effectively to the challenges of economic development and the improvement of social conditions in Africa. If the principal problem is one of insufficient resources, it still begs the question why resources have not been mobilized domestically and why foreign investment inflows have been so low. Debates about refinements in poverty lines and the most satisfactory criterion for drawing them are less important where there are small islands of prosperity and the population at large is generally poor. It is entirely possible that existing paradigms may not provide adequate strategies and that new insights should be sought by examining the situations from diverse viewpoints.

96. Institutions fundamental to economic and social development have been either absent or wholly

inadequate in many countries in Africa. Of these none is more important than the institution of government. In several countries, Governments have ceased to be effective due to civil wars or military conflicts, and in others mismanagement or corruption is reported to be endemic. And some Governments have generally been weakened by policies to restrain public expenditure under stabilization and structural adjustment programmes. Poor pay and unsatisfactory conditions of work in the civil service have undermined integrity. While these problems are not exclusively those of Africa, their severity commands immediate attention.

97. Weak or dysfunctional Governments have meant in the first place an absence of the rule of law, which raises transactions costs so high as to inhibit all but the simplest and the most short-term of investments. In the absence of established judicial procedures that work dependably and without undue delay, contracts cannot be enforced and foreign investors look for less risky opportunities elsewhere. The establishment of democratic forms of government, more recently in the large countries, such as Nigeria and South Africa, can be expected to improve conditions. The delivery of social services can be ineffective because of absent teachers, hospitals without drugs and the misdirection of resources. The important role of and intervention by responsible citizens and non-governmental organizations need to be strengthened in this regard. Decentralized government, higher levels of general education and more active participation in government can be expected to bring in improvements.

98. There is no alternative to efficient and active government in the development effort in Africa. There is no vibrant private sector in most African economies, whose proverbial energies can be unleashed to develop the continent. Public health, primary education, transport and communication services, the establishment of justice systems, the establishment of regulatory mechanisms and many more functions are the responsibility of Governments, which if not performed, leave these economies without the institutional infrastructure that is fundamental to good governance, economic and social development and the enjoyment of human rights.

99. It has been unrealistic to expect rates of economic growth of the order of 5 to 8 per cent per year in most of Africa. Highly desirable as these objectives are, they now seem utopian in most instances. In the very few cases where these targets have been achieved, every effort must be made to maintain those high rates. Each of the other economies need to be studied with as little prejudgement as possible to identify those policies which would raise rates of economic and social development. The countries whose ecosystems are fragile run the risks of swift deterioration, and they therefore need special attention.

100. The principal mechanism for achieving these goals must remain faster economic development, mainly because there is little to redistribute in Africa. Poverty on a widespread scale will not loosen its grip until unskilled labour earns wages that can pull families out of poverty. Productivity of unskilled labour will begin to rise when the workers are healthy and literate and there is demand for their services.

101. None of these tasks will be accomplished without peace and security. African leaders have worked through the Organization of African Unity (OAU) to establish mechanisms for conflict resolution in Africa, and through regional initiatives, such as the intervention of Economic Community of West African States (ECOWAS) member States in West Africa to bring peace in Liberia, Sierra Leone and Guinea-Bissau, and the intervention of leaders in East and Southern Africa to resolve several conflicts in that subregion. Political and community leaders, as well as intellectuals and opinion makers in each country, have vital roles to play in establishing peace, viable Governments and thriving economies.

102. In all this, the rest of the world has heavy and undeniable responsibilities. In a generation remarkable for opening up the world for trade in goods and services, for larger and faster capital inflows and outflows and for the freer movement of people and knowledge, Africa has been left in relative isolation. The promises held out in the 1970s of providing official development assistance to developing countries in general, and to the least developed countries in particular, have not been fulfilled. Technical cooperation provided by the United Nations and its affiliated agencies has been cut back under pressure of resource constraints. Benefits from new technology involving computers, satellites and new flows of information have largely bypassed Africa. Internal conflict, political instability and inadequacies in infrastructure have kept private capital from flowing into Africa. The Summit provided an opportunity for the world to focus its attention on Africa and commit itself to integrate Africa into the process of world

development. Much has not been delivered during the last five years. It is time to make a renewed commitment.

Organisation for Economic Cooperation and Development countries

103. Even with high levels of income, robust economic growth and well functioning institutions, poverty, unemployment and social disintegration have been important social problems in the OECD countries. Poverty in these societies has not been as severe as in most developing countries. Unemployment has most of the time been relieved by transfer payments from Governments. Social integration has had more to do with economic opportunities than with ethnic or religious differences.

104. In periods of rapid economic and social change with new techniques of production and changing patterns of social behaviour, failure to participate in the new production processes has become a significant cause of poverty and social exclusion. Persons so excluded face long-term unemployment or low wage employment, both of which drag them down to poverty. If for mostly other reasons, those so unemployed also cannot provide family support, their families and children run the danger of suffering from all the disadvantages of poverty, including short lives, poor education and social exclusion.

105. More resources by themselves do not always raise the quality or effectiveness of social service delivery. There are substantial differences in levels of expenditure on health-care and education services, both within and between countries, that do not translate themselves into tactile differences in the quality of services. Experiments with alternative mechanics are still too short-lived for assessment. Substantial government expenditure has enabled OECD societies to work to reduce poverty, promote employment and secure social integration. There are several mixtures of social institutions that could work together to produce roughly similar outcomes.

106. New programmes for movement from "welfare to workfare" are not always as direct or easy to implement as was first assumed. There are as many people earning low wages and in poverty where welfare payments have been reduced as in countries where the unemployed have received undiminished welfare benefits — they have not escaped either welfare dependency or poverty.

107. The transfer of certain powers of government both to more centralized organs such as the European Parliament and European Central Bank, and to more local organizations, such as the Parliament in Scotland and Wales, have both contributed to social integration. These contradictory but complementary movements have served different functions.

E. Conclusion

108. In conclusion, new initiatives will have to embrace an integrated approach to social development. Political will and ownership for such initiatives will have to be mobilized by developing specific constituencies around given sets of issues, for example in the fields of employment, health and education. However, the constituents or stakeholders representing given issues will also have to reach beyond their given sectors if sustainable solutions are to be found. For example, the key to good health may be found in decent work, and the key to full employment may be found in access to education for all. Successful implementation of the commitments of the Copenhagen Declaration will necessitate combining renewed political will with the ability to translate commitment into action, and with the courage to reach beyond one's own constituency and sector towards integrated partnerships for social development.

109. The Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives has decided that the special session of the General Assembly should not renegotiate the commitments made at Copenhagen in 1995. The challenge facing the General Assembly is therefore rather to develop the political will and practical tools necessary to put those commitments into practice.

Part One
National strategies and policies for the implementation of the outcome of the World Summit for Social Development

110. Part one of the present report contains summarized contents of statements received from Governments in response to the note verbale of the Secretary-General. These summaries are presented in sections II-VI on poverty eradication, employment creation, social integration, the mobilization of resources for social development and capacity-building for social development.

111. All reports reiterated the commitment of Governments to achieve the objectives of poverty eradication, employment creation and social integration. In their strategies, policies and programmes, Governments placed priority on overall social development and many formulated strategies for the eradication of poverty within identified periods of time. Many Governments also set up institutions and mechanisms specifically with responsibilities for implementing programmes to which countries committed themselves at the Summit.

112. It is evident from the responses of States that achieving the objectives of poverty eradication, employment creation and social integration is not only the outcome of policies that are highly integrated but those policies affect deeply other aspects of society, including the political. High rates of economic growth absorb reserves of unemployed labour and reduce unemployment in the long run, but it is also clear that economic growth alone is insufficient to achieve full employment; it must be accompanied by the right balance between demand and supply of labour. Similarly, high rates of economic growth help social integration; but it is also clear that innumerable policies aiming explicitly to strengthen social integration are also essential. It has become emphatically clear that political processes, the nature of the State and efficiency in Government are essential parts of those transformations that can promote the realization of the objectives of the Summit. These processes are especially important for the mobilization of resources for social development, both domestically and overseas, and in capacity-building for the formulation and implementation of policies and programmes. Civil society groups have become indispensable partners to Governments in attempts to eradicate poverty, create employment and promote social integration.

II. Towards poverty eradication

A. Macroeconomic policies: stabilization and structural adjustment

113. Many countries reported on policies for economic stabilization and structural adjustment and their effect on social development, especially eradication of poverty and the creation of employment. The major finding in developing economies was that although these policies were expected to lay the foundation for economic growth, they had not helped in promoting social development. These policies commonly required government expenditure, including expenditure on social services, to be reduced, total demand in the economy to be cut down and shifts of government expenditure. In many instances, the domestic currency was devalued in terms of foreign currencies, interest rates raised and international trade liberalized. In some economies, growth received an impetus (for example, in the Gambia, Morocco and Trinidad and Tobago); in others (Ghana, Jamaica, Nigeria and Zambia) the social cost of structural adjustment programmes in terms of unemployment and reduced spending on basic social services was significant. A fall in government employment was reported in some countries, including Ghana and Nigeria. Real earnings fell in Nigeria and Zambia. The impact on poverty reduction from faster growth in the Gambia was small. In Morocco, there was some improvement in social services.

114. In Latin America and the Caribbean region, the principal feature of macroeconomic policy was the continuation of structural adjustment programmes. Foreign exchange markets were liberalized and exchange rates and domestic prices stabilized with negative impact on growth. In the case of Jamaica, servicing the public debt is expected to absorb 62 per cent of government expenditure in 1999/2000. To join a global economy, these economies need large investments in infrastructure. Turmoil in international capital markets made it difficult for them to raise resources for these purposes. Cuba faced an economic embargo, loss of export markets and traditional sources of raw materials for its industries. Economic and social policies were put in place to minimize the adverse

effects of these crises and enable it to re-enter the world economy.

115. The primary focus of policies adopted by the Government of Cambodia was to set up a framework for sustained economic growth, create a national environment favourable to social development with more productive employment and foster social integration. In Nepal, the Government, in its eighth plan (1992-1997), sought to promote sustainable growth, alleviate poverty, reduce regional imbalances and liberalize the economy.

116. In Malaysia, the Government encouraged the reduction of working hours for workers rather than employment and skill development. In Singapore, Government worked together with civil society to help the poor tide over difficulties during the economic slowdown caused by the Asian financial crisis. Employment was secured by maintaining relative unit costs of production in the manufacturing sector competitive with those in other newly industrializing countries. Steps were taken to nurture skills and cultivate creativity in the labour force.

117. In Pakistan, policies at the macroeconomic level are currently aimed at reducing inflationary pressures of the past, continued revenue generation efforts and restrained public expenditure.

118. The former socialist countries have gone through very difficult times. In the Czech Republic, economic growth has slowed, with increased unemployment and poverty. The Russian Federation has been severely affected by the traumas of transition and most recently by the financial crisis of August 1998, which brought a further significant jump in unemployment and a major fall in real incomes and living standards. In Mongolia, a potential negative impact of macroeconomic adjustments had not been adequately foreseen, resulting in the absence of proactive social policy. In contrast, some countries, such as Croatia, have recently experienced an increase in economic activity, and some categories of social expenditure, including pensions and payments to those affected by war, were increased.

119. Among developed countries, maintaining price stability while reducing unemployment and poverty were common concerns. For example, the Government of Belgium was active in maintaining a macroeconomic environment conducive to these ends. Agreement to introduce the euro was expected to keep inflation low and provide a firmer foundation for economic growth.

B. Policies and programmes for reducing poverty

120. In Denmark, distribution policy is an integral part of economic policy. Budget allocations give priority to the development of basic social services. Care of children and the elderly take 26 per cent of public expenditure. The promotion of education and health-care services is an essential part of human resource development. Public expenditure on social services rose from 145 billion Danish Kroner (DKr) in 1989 to DKr 194 billion in 1998. Resources for these programmes have been obtained from progressive taxation that is efficiently enforced. A community based on the rule of law, sound administrative practices and popular participation in development processes are essential to social development and economic and political stability.

121. In Ireland, sustained high rates of economic growth, falling unemployment and relatively low inflation levels in recent years helped to reduce poverty. A rise in government revenue increased its capacity to address problems of low-income groups. The Government recognized that there was a significant minority whose standard of living had fallen sharply behind that of the majority. Apart from low income, relative poverty in Ireland is characterized by isolation, powerlessness and exclusion from participation in the normal activities of society. The national anti-poverty strategy 1997-2007 coordinates public policy across departments, providing broad policy direction to anti-poverty programmes. This strategy aims at reducing the number of those who were "consistently poor" from 9 per cent to 15 per cent of the population to less than 5 to 10 per cent. Under this strategy, the Government strives to encourage participation by all in mainstream social activity; to guarantee rights of minorities, especially by implementing anti-discrimination measures; the reduction of inequalities, in particular addressing the gender dimension of poverty; building on national and local partnerships, actively involving the community and the voluntary sector, encouraging self-reliance for empowerment; and engaging the users of government services in process of consultation.

122. The Government of Finland discerned that the main pillars that would support an enabling environment for the eradication of poverty would include a democratic from of government with

parliamentary institutions and the active participation of people in regularly held elections, both at the national and local levels; respect for human rights and social and cultural rights; gender equality; and freedom of worship, expression and association.

123. In Trinidad and Tobago, employment generation and poverty reduction are two of the most important goals in the first socio-economic plan.

124. The Government of China is striving to establish a socialist market economy giving equal emphasis to sustained economic growth and social development. It has implemented a series of policies to speed up food production, prevent and reduce the severity of natural disasters, provide compulsory education and promote the development of women.

125. Although the Government of Nepal was successful in liberalizing the economy as envisaged in the eighth plan (1992-1997), not much progress was made in reducing poverty. The Government has committed itself to implementing the social development agenda more vigorously.

126. Facing increasing poverty among a large proportion of the population, the Government of Mongolia has introduced a comprehensive multisectoral national poverty alleviation programme. This programme aims at reversing the trend of human deprivation and human capital erosion.

127. The main thrust of the development programme of Kuwait has been to build and modernize the foundations of the State. The annual government budget gave priority to capital formation and social development. Government expects to foster social justice, democracy and freedom, the well-being of the family and the young, improve education and raise employment opportunities.

C. Social security

128. Social security systems are the most common means of poverty alleviation. They respond to the needs of the more vulnerable population groups in society — the disabled, the elderly, female-headed households, and refugees and displaced persons. They have been systematically built upon in developed countries. A highly inclusive system of social security that prevailed in the former socialist countries is being replaced piecemeal with a substitute at much human cost. In many developing countries, these mechanisms are still being formed.

129. In several developed countries, social security systems are being improved with support to wider groups of persons and at a higher level. In Canada, the new child benefit system further strengthened the unemployment insurance system and the guaranteed income supplement pension plan. Measures have been also undertaken to ensure that the old age security, guaranteed income supplement and pension plans will be viable over the foreseeable future. The Governments of Austria, Germany and the Netherlands are taking steps to improve their social security systems.

130. Under reforms to the current scheme of social insurance in Belgium, families are being strengthened to support their members in times of need by providing child care, better access to health-care services, protection against over indebtedness and finding employment and housing. A two-yearly marginalization report will monitor performance under the new scheme.

131. Social security for the retired, the disabled, the unemployed and those without previous employment, such as students or women caring for children, has been significantly strengthened in Australia. Pensions have been indexed with consumer prices, and the maximum rate of pension is at least 25 per cent of the male total weekly wage. Incentives have been provided to defer retirement and the receipt of pensions. In Finland, a comprehensive income distribution policy has done away with absolute poverty. In Germany, the Government provides long-term health care, old age pensions and accident insurance and need-oriented basic social protection. In Japan, the livelihood protection system guarantees a minimum standard of living to all who are poor so that they can maintain a "wholesome and cultured life", enabling them eventually to support themselves.

132. In Portugal, the social insurance system provides a minimum guaranteed income. The Government has also taken steps to prevent the feminization of poverty and to ensure stable resources to sustain social services, in the longer term.

133. The social security system in Sweden is built on the premises that regardless of income, all citizens should have access to good child care, high-quality education and health and medical care. All citizens must have opportunities to support themselves with

their own work. As prior gainful employment is necessary to qualify for social welfare, those who have never worked receive only a temporary allowance; this anomaly is being looked into.

134. In the Russian Federation, the Federal Act on Subsistence Wages determines the criteria for providing social assistance, paying attention to family income in relation to subsistence income. As resources are scarce, assistance is provided only to those in dire need.

135. The social security system in Cuba, in the midst of numerous economic difficulties, guarantees its citizens a food supply providing 60 to 65 per cent of nutritional requirements, access to medical services and free education and social assistance.

136. The Social Security Act No. 20 in the Libyan Arab Jamahiriya guarantees the availability of social services to all without employment, children without family support and other vulnerable sections in society. In Morocco, a social development strategy has been adopted to enable the needy to gain access to health and education and increased employment, and to provide economic safety nets for the poor. In the Syrian Arab Republic, social policy has been designed to provide free education and medical services to all and to assist the rural population in mobilizing resources and women in exploiting economic opportunities in their leisure time. They aim to strengthen the General Federation of Women, the General Federation of Trade Unions and the General Federation of Peasants. Services will be provided to poor families and those disadvantaged, including the handicapped, orphans and the elderly. In the United Arab Emirates, the social security system has been expanded to benefit more people, paying special attention to the elderly and the disabled. A marriage fund has been established to assist newly-weds.

137. In Singapore, under the public assistance scheme a monthly allowance is paid to individuals/families without means and subsidies for child care. Short-term assistance is provided to families who cannot pay their rent and utility bills.

D. Public transfers and spending on social services

138. Many developing countries, though facing severe resource constraints, have tried to increase resources to help the needy and the poor. In developed countries, steps have been taken to increase expenditure for social support to raise standards of living and expand the coverage of people below the poverty line.

139. Taxes to reduce disparities in income and government expenditure to provide social services are important components of social policy. A family tax reform is designed to benefit poor families and their children and to narrow the income gap between the rich and the poor. In Canada, a significant proportion of the taxes and transfers from higher income groups are utilized to finance social programmes for the needy and the vulnerable segment of Canadian society. The Governments of Finland and Germany have also introduced strong policies for public transfers in order to make resources available to those who need them the most.

140. In Burkina Faso, expenditure in the social sector rose from 17.1 per cent in 1995 to 19.5 per cent in 1997. In Cambodia, expenditure on social services was 42 per cent of government expenditure in 1998 compared to 15 per cent in 1994. Between 1994 and 1998, expenditure on health and education increased by 42 per cent.

141. In China, local governments have authority to reduce or exempt from taxes agricultural producers in poor farming areas. In addition, loans to the poor are given on softer terms. In Jamaica, expenditure on heath rose from 5 to 7 per cent of total expenditure of the budget, as recommended by the World Health Organization (WHO). In Nepal, the share of government expenditure for health increased from 3.5 per cent in 1992 to 6.2 per cent in 1997. Expenditure for education increased from 12.6 per cent in 1992 to 13.1 per cent in 1997.

E. Programmes/projects for poverty eradication

142. Many Governments are carrying out specific projects and programmes to eradicate poverty. Most are income-generating activities aimed at improving agricultural output and the development of rural infrastructure.

143. A programme for electrification, a national programme for construction in rural areas and a drinking water supply programme for rural areas were implemented in Morocco to reduce poverty. In the

Syrian Arab Republic, programmes and projects for reducing poverty included support to small farmers by generating short and medium-term loans at nominal rates of interest; housing loans; agricultural extension services; and subsidies for basic food items. In Bolivia, the Government has put in place measures designed to improve the production and commercialization of agricultural produce. In Cambodia, the emphasis is on small-scale agricultural projects; water supply, sanitation and health projects; education programmes; and forestry, fisheries and livestock projects. In China, farmers in rural areas are encouraged to cultivate more food crops, and to develop aquaculture and related processing industries as well as the development and utilization of waste lands. Other activities include the building of access roads to enable farmers to transport commodities to markets, the provision of electricity and the improvement of basic education, sanitation and primary health care in rural areas.

144. The Government of the Philippines has launched a poverty eradication programme that treats the family as the basic social unit. The programme is family based because the family can make social assistance and support more effective. The average number of beneficiaries of the programme is 2 million poor families each year. That target will help to bring down the incidence of poverty to 20 per cent by the year 2004. The 100 poorest families per province and city will serve as benchmarks for evaluating progress of the poverty eradication programme. In the Gambia, the main components of the anti-poverty programme include improving agricultural production practices, support services for women farmers and smallholders, the improvement of services to small-scale enterprises, and creating employment opportunities for women and the youth.

145. In many countries, community participation in projects and programmes to eradicate poverty have been found particularly useful. In Trinidad and Tobago, assistance is provided to community-based projects for the expansion and construction of access roads, retaining walls, schools, community centres and amenities for welfare institutions for vulnerable groups. In Jamaica, the main programme components include community-based programmes to strengthen government agencies and social development programmes designed to address issues of health and education as well as critical issues affecting unemployed youth.

146. In Lesotho, studies are being conducted into relations between poverty and environmental degradation; a household survey will be conducted to map poverty. A nutrition master plan and measures to improve social security programmes are to be implemented.

147. Panama has adapted policies in the following areas to eradicate poverty: (a) providing the poor with land titles; (b) microcredit and rural savings; (c) basic infrastructure in the rural areas; and (d) developing and commercializing traditional networks of consumption and marketing. To fight urban poverty, they have adapted policies to take active measures to (a) increase housing; (b) create income-generating opportunities; (c) counter teenage pregnancy; (d) set up local centres to deliver multiple social services; and (e) provide basic infrastructure to marginal rural areas. Steps have also been taken to develop a poverty monitoring system so that the results of the programmes and their effectiveness can be evaluated.

148. Nepal has been implementing land reforms and special programmes to benefit the poor in rural areas. Land reform has also been implemented in Panama. China has implemented land reforms, resulting in higher agricultural productivity.

149. Provision of safe drinking water, access to primary health care and educational opportunities, better nutrition and sanitation are the focus of attention in anti-poverty programmes in many countries. There have been special programmes to address the needs of vulnerable sections of the population. In Burkina Faso, there is a special fund to assist women to participate in the labour force. Ethiopia has established a special programme for the rehabilitation of people who have either been displaced or have become refugees.

150. In assessing progress made, Cambodia has reported that there has been a modest reduction in the incidence of poverty from 39 to 36 per cent between 1994 and 1997. During the same period, on a regional basis, the incidence of poverty declined in urban areas from 37 to 30 per cent, and in rural areas from 43 to 40 per cent. The 1997 poverty estimates indicate that the rural population, especially those with agriculture as their source of income, still accounted for 90 per cent of the country's poor.

151. In China, following the implementation of the national programme for poverty relief, the number of poor people in rural areas is reported to have dropped

from 80 million to 42 million. In the Philippines, between 1988 and 1997 poverty declined sharply from 21.6 per cent to 7.1 per cent. However, in rural areas, the drop was less than 2 per cent, from 46.3 in 1988 to 44.4 per cent in 1997. In absolute terms, the number of poor families increased by 15 per cent between 1994 and 1997, bringing the total number of poor families to almost 4.6 million in 1997.

152. Regarding the countries in transition, the Russian Federation has taken steps to implement a number of programmes to address issues of poverty, the main elements of which are (a) developing and implementing a mechanism to provide targeted assistance to the poor; (b) reforming rules and regulations to benefit the poor; (c) assessing the effectiveness of the social protection system; and (d) creating a computerized registration system to provide more effective services.

F. Conclusions

153. The years since the Summit have posed severe problems for poverty eradication. In the least developed economies, mostly in Africa, economic growth has barely resumed. In the post-socialist countries in transition from centrally planned to market economies, the universal social security schemes have broken down and no adequate arrangements have been introduced to replace them. Economic decline and price inflation has thrown people into poverty on a scale not seen in those economies prior to 1989. Economic problems brought forth by financial crises reduced incomes and increased poverty in the affected countries. In some developed market economies, continuing high unemployment, increasing inequality in income distribution and changes in welfare policies have done very little to reduce poverty. Flood, drought, tornadoes and earthquakes in a number of countries have increased the numbers of people living in poverty. The human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) epidemic has killed many workers, stretched the demand for medical services and left many children orphaned and poor. Economic sanctions reduced the capacity of the targeted countries to grow and increased the number of poor in those societies. Civil war and ethnic conflict in a number of countries have reduced rates of economic growth, destroyed physical assets, disabled large numbers and killed many. Large populations have been displaced or driven out as refugees to eke out a poor living in great discomfort. War has also claimed resources that could otherwise have been used to provide social services.

154. But in a number of countries there have been improvements in health and education as Governments have increased expenditures to these important sectors. Many developing countries have carried out radical economic reforms to stabilize prices, reduce the role of government and change the structure of their economies. These reforms, however, have often increased unemployment, reduced the security of employment and incomes and thus increased poverty. Cutbacks in government expenditure have reduced resources for the alleviation of poverty. That problem has been compounded by increased claims on resources to service foreign debt. The promise of poverty eradication as a result of faster growth consequent upon stabilization and structural adjustment programmes generally remains unmet. Even where economic growth has been sustained over the short term, there has often been no substantial increase in employment. The severity of the problem has increased in developing countries, where the workforce has grown due to rapid population growth. The constraints on resources for social protection and the failure of economic growth to generate significant employment opportunities have posed dilemmas for policy-making in developing countries, pitting short-term poverty alleviation priorities against investment for longer-term growth.

155. The absence of a strong private sector in many countries has led their Governments to recognize the need to create an environment that enables entrepreneurs and the private sector to play an influential role in the development process.

156. The drop in economic activity following the financial crisis in economies that had grown strongly over several decades brought home forcefully the need for social security arrangements to look after the well-being of those temporarily unemployed. That need has been intensified by the changing age composition in many developing countries, increasing the proportion of older age groups in the population.

157. In economies in transition, negative or stagnant economic growth has reduced resources available for alleviating poverty. The slow processes of institution-building, including government institutions, have left

populations without mechanisms for providing social security.

158. In developed countries, the emphasis on price stability and the political decision in some to reduce dependency on welfare benefits have created new challenges for reducing poverty. The tendency for wages of unskilled workers to fall while economies grow and other wages rise has presented a new set of problems in some of these economies.

159. Among the major constraints on eradication of poverty, especially in developing countries, has been the lack of resources, weak infrastructures and inefficient administrative systems. Many countries have tried to adopt participatory approaches to poverty alleviation in rural development but have been handicapped by a lack of efficient mechanisms in the collection of reliable data on poverty and related issues.

160. All countries have sought sustained economic growth as a basis for a sound social development. In many developing countries, economic growth rates have failed to match rapid growth in population. Some Governments mentioned the lack of awareness of the public concerning the importance of social issues. This has sometimes led to lack of support from civil society for programmes and interventions aimed at the eradication of poverty. It has also made it difficult to expand stakeholder participation in the preparation and implementation of poverty eradication programmes. There has been limited awareness among the public about social issues in some countries, and a consequent lack of support for programmes for the alleviation of poverty. That lack of awareness in turn has constrained participation by civil society in the preparation and implementation of policies to eradicate or alleviate poverty.

161. In many developing countries, especially the least developed countries, reductions in government expenditure have posed several problems. The need for resources for public services in health, primary education, physical infrastructure, protection of the environment and fundamental institutions remains high in these societies. The private sector is thin and unformed, and needs the support of legal and economic institutions that are normally provided by government. In some countries, non-governmental organizations are in early stages of development and are not able to contribute significantly to providing social security to the poor. Paradoxically, Governments themselves have been weakened by reductions in the size of civil service and wages, and corruption and the mismanagement of resources have increased in some countries. In order that Governments can more effectively perform their functions, including the delivery of services to the poor, many of them, in collaboration with United Nations agencies, including UNDP, set out to improve the quality of governance.

162. Declining terms of international trade in many countries and reduced inflows of financial resources have further limited the capacity of many developing countries to cope with the burden of providing services to the poor.

163. Five years is a short period in which to design and implement new policies, before assessing success in achieving the objective of poverty eradication to which Governments committed themselves at the Summit. However, it is a long enough period in which to understand the numerous barriers to achieving those objectives and to identify difficulties encountered by policy makers. These barriers are so high and the difficulties so severe that Governments and civil society in each country and the international community will need to act with deep dedication and commitment if they are to win more battles in the war against poverty.

III. Full employment

164. The macroeconomic policies adopted cannot be viewed in isolation from the manner in which they were developed. A number of Governments reported on efforts to strengthen consultation mechanisms with social partners and with civil society in the formulation of social and economic policies having direct and indirect implications for employment. These consultations involved not just wages and incomes but also broader fiscal and monetary policies, including the pace and depth of economic reform.

165. Many Governments reported in detail on specific labour market policies to create employment and to reduce unemployment, confronting women, youth, older persons, the disabled, indigenous peoples and the long-term unemployed. A recurring theme concerned efforts to strengthen the link between passive unemployment benefits and active measures to help or oblige welfare recipients to reintegrate into the labour

market. Many Governments reported on the changing roles and functions of both public and private employment services and job search assistance programmes.

166. Education, training and skills of the workforce were seen by many Governments as elements in strategies to create employment. Governments reported on trends in skills formation and education, which in many instances produced a mismatch between labour supply and demand. Governments in a number of countries have adopted policies for education and vocational training to respond to what is seen to be a growing shift to a skill-intensive society.

167. In line with trends in declining public sector employment, many Governments have stimulated job creation by espousing an enabling environment for private sector growth, with particular attention to small and medium enterprises. Governments in developing countries reported further on efforts to strengthen productivity and incomes in microenterprises.

168. Governments in a number of developed countries reported on efforts to distribute better available employment opportunities between the employed and job seekers through work-sharing arrangements, reduction in working time and increasing labour market flexibility. In developing and transitional economies, it was noted that scarce available income-earning opportunities were being distributed ever more thinly among the poorer sections of the population, resulting in lower incomes and productivity and poorer working conditions in the informal economy.

169. Regional and local governments have also contributed to employment creation. They have been deeply involved in helping the unemployed move from receiving welfare benefits to finding work and to developing new work opportunities in the so-called social sector, including in personal care and environmental rehabilitation and maintenance. Governments in countries at different levels of development have used public investments in infrastructure as a means to create employment both as a counter cyclical strategy and to relieve the pressure of structural unemployment. In developing countries, labour-intensive public works programmes have been used both in regular infrastructure development and as a means of responding to crisis situations, such as emerging from armed conflict, natural disasters or cyclical downturns in economic activity.

170. The present section concludes by reviewing measures taken to enhance the quality of employment and reports on changes made in national labour legislation and the adoption of basic standards regarding employment, working conditions and workers' rights. A number of countries reported on efforts to better reconcile family and working life, and to promote gender equality in employment. In the context of globalization, some Governments reported on problems and opportunities associated with migrant workers. Many Governments reported on the importance of social dialogue and tripartite consultations, involving employers, workers and Governments, for enhancing the quality of employment and for promoting full employment as basic priorities in economic and social policies.

A. Full employment as a national goal

171. Following the World Summit for Social Development, Governments in many countries have made full employment and the fight against unemployment overriding policy objectives. To achieve that ambitious goal, many Governments have developed national employment plans or strategies or integrated employment concerns within national development plans. In some countries, Governments have organized national conferences or consultative processes to both formulate and launch employment strategies.

172. The Government of Germany reflected the views of many others when it reported that a high employment standard in a globalized economy is no utopia, and that overcoming unemployment is the greatest challenge for politics and society on the verge of the new millennium. The Government of Austria reported that an active employment policy designed to avoid and combat unemployment has always been one of its top priorities. The Government of Tunisia reported that employment has received the highest priority in all its development plans and strategies. The Government of Côte d'Ivoire returned employment to a high priority in 1995.

173. In the European Union, national employment plans follow guidelines developed consequent upon the Luxembourg summit. Within that framework, European countries have focused on a number of issues designed to address specific national employment and labour market requirements. For example, in 1998, Spain

adopted a national action plan for employment, with particular emphasis on vocational training, promotion of employment for women and employment of the disabled. The three priorities in the national employment plan of France were to increase economic growth, strengthen household purchasing power and consolidate demand. It was expected that growth would be more employment-intensive and that all sections of society, including the vulnerable, would benefit from the growth of employment. That plan included a programme for youth employment, a major initiative to reduce working time and policies for developing entrepreneurship. Belgium's employment strategy had five aims: the reduction of labour costs; work-sharing and increased labour market flexibility; targeted measures for groups facing particular difficulties in obtaining employment; the development of new sources of productive employment; and training.

174. The Government of Germany reported that its national employment strategy had, as its counterpart at the level of the European Union, the European Employment Pact which was adopted in 1999. This pact moved beyond the results of the Luxembourg summit on coordinated employment strategy that involved the adoption of common guidelines and the formulation of national action plans. Within the framework of the European Employment Pact, this coordinated employment strategy was combined with structural reforms in the markets for goods, services and capital (the so-called Cardiff process) and with decisions on macroeconomic dialogue on wages, monetary, budgetary and financial policies (which were adopted at the Cologne summit).

175. The Government of the Philippines adopted a comprehensive employment strategy programme in 1995 that institutionalized the centrality of employment in policy formulation. The Government furthermore set a national target of creating more than one million jobs yearly beginning in 1998. While that goal was surpassed ahead of the target date, with over 1.5 million jobs created in 1996, the combined effects of the Asian financial crisis and El Niño have since caused a major shortfall in achieving the target. As a result of a national employment conference held in 1998, the national employment plans developed in the Philippines were further fine-tuned to cushion the effects of the Asian financial crisis on the workforce, including those employed abroad.

176. The main objective of Nepal's eighth national development plan was to reduce increasing unemployment and underemployment. The eighth and ninth plans set specific targets for employment creation, both for new entrants to the workforce and for the underemployed. Slovakia set specific labour market goals to decrease unemployment, with a specific focus on regional differences and long-term unemployment. These labour market goals were based on reorienting its macroeconomic framework in terms of trade, incomes and wage policies. Nevertheless, unemployment in Slovakia has been increasing, and reached a level of over 13 per cent in 1998.

177. The Governments of some countries reported that they are in the process of formulating national employment goals and policies. In Ethiopia, the Government is developing a comprehensive employment policy within an agricultural-led-industrialization strategy and international employment principles. Both the Niger and the Democratic Republic of the Congo reported that national employment promotion policies are under preparation.

178. Governments in some other countries have sought to integrate employment concerns prominently in their social and economic policies. In Canada, for example, federal, provincial and territorial Governments have all sought to promote employment as the basis for both social and economic development. In Panama, the Government has considered that good policies for employment generation are contained in reforms to create a free market economy, with emphasis on production for export and encouragement to private initiative, with clear and stable rules. The Reserve Bank of Australia has to ensure, as one of its responsibilities, that monetary and banking policies will contribute to full employment.

B. Evaluation of progress in employment creation

179. Governments in some countries provided information on progress in creating employment and in reducing unemployment and underemployment. They also reported on improvement in the quality of employment. However, in a number of developing and transitional economies there was no clear evaluation due to the lack of reliable information.

180. In Malaysia, as in the other economies in East and South-East Asia, from 1995 until the beginning of the financial crisis in mid-1997, there was virtually full employment. The Malaysian economy had moved from a labour surplus to a productivity-driven economy in which skills and human resources development formed prominent features. Following the financial crisis, employment contracted by 3 per cent. Enterprises that previously were short of labour absorbed much of that labour, and unemployment rose from 3 per cent in 1997 to 4 per cent in 1998. In Singapore, the financial crisis resulted in a net loss of over 23,000 jobs in 1998; in 1997, 120,000 jobs had been created. The workforce was provided with opportunities for continual training. Most of the burden of cost-cutting, to remain competitive in world markets, was borne by workers, whose wages were reduced by between 5 per cent and 8 per cent; the contribution by employers to the Central Provident Fund was reduced by 10 per cent.

181. In most of the Eastern and Central European and CIS countries, the process of transition to market economies impacted negatively on both the quality and quantity of employment. However, in many cases reported rates of unemployment remained surprisingly low because unemployment statistics were based upon the registration of the unemployed with state employment services. For example, in Uzbekistan official unemployment was calculated as the number of able-bodied citizens actively seeking work and registered with the labour offices. Using this definition, the level of registered unemployment increased but slightly from 0.4 per cent in 1992 to 0.45 per cent at the end of 1998. Because of bureaucratic obstacles encountered in receiving unemployment benefit and the insignificant amounts paid — about US$ 2.50 per month in Belarus — many of the unemployed did not bother to register and were not included in unemployment statistics. However, when estimates were made using internationally accepted methods, the unemployment rate in Ukraine increased from 5.6 per cent in 1995 to 11.3 per cent in 1998. During that period, approximately 1.3 million workers were laid off consequent to the reorganization of government enterprises. In Romania, the transition to a market economy was accompanied by a drop in production, lower budgetary resources, higher unemployment and inflation.

182. The impact of economic stabilization and structural adjustment programmes on employment has varied among countries. Reforms in Algeria renewed economic growth (5.1 per cent growth of gross domestic product (GDP) in 1998), reduced inflation and returned the government budget to equilibrium. However, the rate of unemployment increased from 24 per cent in 1994 to 28 per cent from 1995 to 1998. A rise in the proportion of economically active persons in the labour force added to the gravity of the problem. In contrast, in Trinidad and Tobago, consequent upon economic reforms, the economy grew by an average of 3 per cent per year between 1995 and 1997, after a decade of uninterrupted decline, and unemployment fell from 17 per cent to 14 per cent.

183. Economic reforms have frequently led to contraction in public sector employment. In the Niger, the Government has virtually stopped recruitment of university graduates. In Zambia, about 20,000 jobs in the formal sector, mostly in government and Government-owned enterprises, were lost between 1995 and 1998. In China, the transition to a socialist market economy has entailed the reform of State-owned enterprises and a sizeable retrenchment in public sector employment.

184. In Jamaica, exporters entered the global economy inadequately prepared to participate in global markets. The situation was exacerbated by financial crises. Consequently, production declined, especially in agricultural and manufacturing sectors. Adverse shifts in prices and international terms of trade for commodities and raw materials have had an overall negative impact on employment. In Mozambique, the fall in the price of gold during 1997 and 1998 cost its economy more than 8,400 jobs in South African gold mines.

185. Many of the poorest countries reported little success in creating employment opportunities. Evaluation of progress is hindered partly by lack of reliable and timely information. The most recent employment information from the Niger reported a deceptively low unemployment rate of 2.3 per cent in 1988. As in economies in transition, the statistics were often based on the number of job seekers registered with government agencies. Further, the figures related to the formal sector which employs but a small fraction of the total workforce. The Government of Mozambique reported that although there are no statistics on unemployment in the economy as a whole, the majority of the population are underemployed or unemployed or working in the informal sector.

186. Internal conflict and natural disasters have also reduced employment in many countries. In Cambodia, in addition to those openly unemployed, the disabled, the displaced and refugees also seek employment. In Burundi, the disastrous ethnic slaughter that began in 1993 and the economic sanctions imposed later by the international community caused severe loss of employment opportunities.

187. Progress towards full employment has been reported from a number of smaller, export-oriented European economies, including Austria, Denmark and the Netherlands, who have been more successful than their European counterparts in reducing unemployment. Unemployment rates in those countries have averaged about 4 per cent in contrast to the European Union (EU) average rate of about 10 per cent. It has been demonstrated in these economies that it is possible to raise rates of economic growth while keeping the welfare state intact. Although in Switzerland the unemployment rate is low by international standards, it has risen to post-war heights. However, it is encouraging that unemployment has shown a negative elasticity with respect to improved macroeconomic growth.

C. Structure of the economically active population and the informalization of employment

188. Trends in employment can be evaluated not only in terms of quantitative changes but also in terms of structural changes in employment. As is the case in many developing countries, Côte d'Ivoire has been faced with declining employment in the modern sector and a spectacular growth in informal sector employment. As of 1996, it was estimated that only 7 per cent of the economically active population was working in the modern sector, with 66 per cent in agriculture and the rest in the informal sector. In Zambia, informal sector employment increased by 30 per cent from 1995 to 1998. This increase was largely based on smallholder agricultural activities with minute prospects for employment generation. In Ethiopia, while open unemployment is relatively low (only 3 per cent nationally, based on 1994 figures), it has been estimated that only 39 per cent of the economically active population is productively employed. The large majority of the workforce is employed in agriculture. Professional and technical workers make up no more than one per cent of the employed workforce and almost all are men in urban areas. Wage employment opportunities in Ethiopia exist only in low productivity and low paying jobs in the informal sector and household economy. About one fifth of those workers are wage labour, whereas the others are self-employed.

189. The Governments of Burundi, Jamaica, Nepal and Niger reported that growing unemployment is increasingly affecting the better educated groups within the workforce. Jamaica reports that the situation is perverse, with the unemployed better educated than the employed. The less educated groups sought low-productivity income-earning activities in the informal sector, including the service sector.

190. A number of countries reported on the declining role of the public sector in providing jobs. Moreover, the move towards privatization has not always been compensated by new job creation in the private sector, with the result that many retrenched public sector workers have no other choice than to resort to informal sector activity. In Uzbekistan, over 74 per cent of the labour force is in the non-state sector, and employment in farming and peasant households has risen by 50 per cent between 1996 and 1998. Since the agricultural sector in Uzbekistan is not capable of providing productive employment for the rapidly increasing rural population, the Government has carried out a comprehensive programme to provide extensive infrastructure and establish non-agricultural production in rural areas based on processing local raw materials. Since only 25 per cent of the population is working in the services sector, the Government has worked to increase employment in "non-production" socially oriented services as opposed to "physical" production. However, an exception to that trend was reported in Belarus, where the proportion of the population employed in the private sector actually declined from 8 per cent in 1995 to only 5 per cent in 1998, by far the lowest level among the CIS countries, demonstrating the high degree of state regulation of employment and the slowed rates of labour market transformation in that country.

D. Macroeconomic policies to foster employment creation

191. Many Governments reported that the best way to create employment is to foster sustainable long-term economic growth with low inflation and low interest

rates. However, the Government of Switzerland reported that improved economic growth by itself is not sufficient to address some forms of unemployment, particularly long-term unemployment. Many Governments have adopted a dual approach of guaranteeing a minimum income for those facing unemployment — and of extending the period of protection — and active measures for reinsertion of the unemployed into the labour market. In Zambia, where the financial sector has been liberalized, it was hoped that the consequent allocation of credit to the most productive uses would generate new employment opportunities. However, the Government of Jamaica reported that high interest rates and stable exchange rate policies had not resulted in increased investment but rather in a decline in output and employment.

192. The Netherlands consensus model has drawn international attention as a successful way of combining macroeconomic and incomes policies with labour market interventions and social dialogue. Within this consensus framework, the Government reduced taxation and social security contributions, allowed market forces to play a greater but selective role in labour markets and amended regulations to mobilize the unemployed, all based on dialogue with the social partners.

193. The Government of Ireland reported that reducing the tax burden on employment would continue to be a priority issue. These reforms were expected to reduce non-payroll costs of hiring additional workers, and corporation taxes to stimulate investment and thus promote employment growth. Tax reforms were designed to increase incentives for those in lower income groups to take up employment. More than 80,000 low-paid workers were removed from the tax net. That policy was expected to be continued and extended. Tax legislation was to be revised in the Netherlands to encourage people to step out from unemployment benefits and seek productive employment.

194. One of the problems faced by Governments that wish to implement active labour market policies is the need to do so within severe budget constraints. Yet the Government of Canada has increased outlays on active labour market programmes. In Austria, outlays on active labour market policies increased by 36 per cent following the adoption of its 1999 national action programme for employment. In Ukraine, the state employment fund used to pay for social protection for the unemployed amounted to 0.44 per cent of GDP, 5 to 10 times smaller than that in developed economies.

E. Specific labour market policies to promote employment

195. Labour market policies of many Governments have been guided by the belief that the best way out of poverty is through employment and renewed attention has being paid to the quality of employment and the growing problem of the working poor. In developing countries, where open unemployment is rarely a viable option, the working poor are largely in the informal sector and labour market policies have tended to focus on improving incomes and productivity in that sector. In developed economies, where unemployment insurance and other social security payments are well established practice, although at times under threat, the focus has been on developing strategies and programmes to move the unemployed away from welfare benefits into the labour market. This renewed focus on active labour market policies is based, in part, on the realization that high levels of unemployment lead to unsustainable levels of social exclusion, which represent a threat to social stability. In addition, high direct and indirect costs associated with unemployment renew political opposition to mobilize the necessary resources.

1. Linking passive and active labour market support

196. In countries where Governments have moved away from universal entitlements to unemployment benefits, those newly denied benefits have found themselves among the working poor. Such countries include the transitional economies of Central and Eastern Europe and some industrialized market economies. In some countries, that policy change has been accompanied by increasing benefits to those who were truly unable to work, while ensuring that those who are able to work do indeed find employment and remain employed. In Australia, under the principle of "mutual obligation", the Government has emphasized re-engagement with work and the community rather than dependency on income support. Those unemployed, supported financially by the community, were expected actively to seek work, striving to improve their competitiveness in labour markets and contribute to the community that supports them. In

Canada, employment programmes and social services are increasingly delivered either by the same agency or by agencies that are collocated and cooperated closely. New programmes of "welfare to work" were introduced in several provinces. In the Netherlands, many unemployed people were caught in a "poverty trap", where accepting employment did not always lead to a substantial improvement in income. The need to make employment more attractive was taken into account by local authorities in the deployment of funds provided by the central government for targeted income support. Centres for work and income have been established on the "one-stop shop" principle. The basic premise is that work comes before benefits.

2. Work sharing and reduced working time

197. Several countries are striving for a better distribution of employment opportunities by encouraging more flexible working arrangements, reductions in working time and other work-sharing arrangements. Following an unprecedented series of tripartite negotiations, laws have been passed in France that will gradually reduce the work week to 35 hours in 2000 (and by 2002 for enterprises with less than 20 employees). In Japan, the Government is trying to establish a 40-hour work week to encourage workers to take all paid annual leave and reduce non-scheduled working hours.

3. Job search assistance and the changing role of employment services

198. Employment and job search agencies are modifying their functions and activities to adapt to changing labour markets. In Japan, public employment service have cooperated with employers' organizations to promote the re-employment of the unemployed through job search, counselling, vocational training for re-employment and government subsidies. In Romania, after massive retrenchment in the public sector (over 196,000 unemployed received compensation in 1998 and nearly 64,000 in 1999), the Government borrowed $8.5 million from the World Bank to pay for various labour market interventions, including placement, labour market information services, local economic development planning, business incubators and job clubs.

199. In Mozambique, public employment services have been largely ineffective in reconciling mismatches between the demand for and the availability of labour. During the period 1995-1998, there were about 96,000 registered unemployed in Mozambique. However, the labour market was poorly articulated, with 27 per cent of candidates for employment actually receiving a job and only 63 per cent of job offers by employers being filled. Responding to similar difficulties, the national employment office in the Niger was transformed to include in its functions not only registering supply of and demand for jobs but also the promotion of employment. To promote employment, that office paid for university graduates to spend a short apprenticeship in private and parastatal enterprises as well as for assistance in starting up their own enterprises.

4. Promotion of small and medium-scale enterprises

200. There was increasing emphasis on small and medium-sized enterprises in the private sector for job creation; they were generally viewed as more labour-intensive than larger enterprises. With new communications and information technology and the shift from large-scale manufacturing towards the knowledge-intensive service economy, economies of scale which earlier rested with large enterprises have lost importance as a determinant of profitability, opening new windows of opportunity for the development and expansion of small and medium-sized enterprises (SMEs). As populations age, the demand for personal care services will grow. National and local governments have stimulated the creation of small-scale enterprises to provide these services partly to find employment for those who ceased receiving public welfare benefits.

201. In Japan, SMEs accounted for more than half of all production and distribution activities and the employment of 78 per cent of the working population. The development of these enterprises is constrained by current high costs of launching and operating enterprises, and the Government has supported greater deregulation to facilitate financing and helped small and medium-scale enterprises to acquire the required human resources. In Spain, policies to create employment are largely based on facilitating access to capital markets by SMEs, including a provision for collective investment institutions and preferential lines of credit for SMEs from the official credit institute. In Benin, the Government has implemented an urban rehabilitation programme to promote the establishment

of SMEs and increase employment opportunities for the poor.

5. Education and vocational training

202. As evident from a majority of reports from countries at all levels of development, policies to improve knowledge and skills of the workforce have taken on universal importance. In some countries, the aim is to upgrade human resources in order to compete in the knowledge-intensive world economy. In others, training programmes have provided the unemployed and the vulnerable with skills and aptitudes to reintegrate themselves into the labour market. In Mozambique, employers are unable to identify workers with the requisite qualifications and skills. In Japan, despite rising unemployment, SMEs, especially those starting up, found it difficult to obtain employees with the necessary skills. Vocational training, subsidies for employing new staff and improved working environments are being provided to address these concerns. The new national vocational training programme in Spain, combining formal education, vocational training and continuing education, is being used to increase the employability of the most disadvantaged groups in the labour market. In China, in a plan to re-employ 10 million workers, after providing general vocational guidance and skills 3 million workers were retrained in 1998. In many other developing countries, technical and entrepreneurship training programmes have been used to promote self-employment and microenterprise development for the benefit of both vulnerable groups and workers retrenched from the public sector.

203. The economic slowdown that started in Malaysia in 1997 emphasized the importance of skills development for productivity growth. In Singapore, skills upgrading and retraining were found to be even more important in the economic downturn as they helped increase productivity, enhance the employability of workers and reduce structural unemployment. It was expected that retraining would in the long run sharpen Singapore's competitive edge, ensuring a workforce which was ready to take on the new kinds of jobs needed in the knowledge-intensive economy. Singapore expanded its training institutions as well as training opportunities for workers already in industry, especially the half million workers with little or no education.

6. Programmes to support the informal sector

204. The Governments of countries from different regions reported growth in informal sector employment and economic activity. The growth of employment in the informal sector has been a marked feature since the Summit. The Asian financial crisis threw many millions of workers into the informal economy. Growth in informal sector employment has been reported from many countries in Africa, Asia and Latin America. Even in developed countries, including Canada, there has been a rise in non-standard forms of employment. The informal sector is often seen as a source of new employment opportunities and of budding microentrepreneurs. However, most informal sector activities were characterized by low productivity, inadequate incomes and poor and even exploitative working conditions. Therefore, the informal sector poses a dilemma to policy makers, who at times have tried to regulate and control it in order to improve working conditions and not let it undercut employment in the formal sector. In other countries, the informal sector is seen as the best alternative source of employment creation and measures have been taken to promote it.

205. Strategies to promote the informal sector have focused frequently on facilitating access to informal sector operators with credit, technical and business training, improved infrastructure and marketing skills. However, there is also scope for improving the quality and productivity of informal sector employment by addressing demand-side issues, including linkages between the formal and informal sectors. Faced with limited possibilities for creating jobs in the formal sector, the Government of Burkina Faso has set national targets for employment creation and economic growth in the informal sector, at 9 per cent and 11 per cent, respectively. In order to support these goals, a support fund for the informal sector has been created. A series of other funds have been set up to support income-earning activities for youth, women, as well as targeting micro- and small enterprises. In fact, microenterprise has often become synonymous with the informal sector. The fact that most microenterprises employ little or no wage labour is a fact to be taken into account in devising policies for promoting the informal sector. Surinam has established a social investment fund which provides technical training to microentrepreneurs, together with loan guarantees.

206. Most workers in developing countries fall outside the scope of formal social security programmes. Governments have implemented policies to provide social security to workers in the informal sector. The Government of the Philippines enacted a new social security law in 1997, in which social security coverage was made compulsory for self-employed workers, individual farmers and fishermen.

7. Local employment initiatives

207. National and local governments have formed new partnerships for employment policy. In many countries, local and municipal government institutions are responsible for delivering unemployment benefits as well as implementing active labour market programmes. Local governments are often key actors in the shift from passive to active labour market interventions. Furthermore, the development of new sources of employment in the social sector and in work relating to the preservation of the environment is often the responsibility of local governments. Many regulations with strong potential impact on employment are enforced and sometimes designed at the local level. These regulations related to the registration and operation of small and medium enterprises, procedures for contracting out work and services and labour and environmental standards. In Argentina, under the local development support programme, municipal governments have assisted microenterprises and SMEs with technical assistance, entrepreneurial training and subsidies for revolving local credit funds.

208. The Government of Austria has concluded territorial employment pacts designed to coordinate better active labour market policies implemented within individual regions. These responsibilities have been decentralized and moved closer to those affected.

209. To expand employment opportunities, the Government of Uzbekistan has worked directly with local governments to organize temporary, paid employment for social services and introduce flexible working hours. Workers thus employed in social services are paid wages above minimum and provided with social security benefits, including pensions and short-term disability grants.

210. A number of Governments, including those of Japan and Canada, have been confronted by large regional disparities in unemployment. The Government of Japan has helped industries in agricultural and mountainous regions to upgrade their labour management practices. In the Netherlands and France, efforts to combat unemployment have been closely associated with government policy on major cities. After four years, unemployment in several cities has declined, the number of small and medium-sized businesses has grown, and safety and security in the workplace have improved.

8. Public investments and employment

211. Many Governments reported on linking public investment programmes to employment creation. In developing countries, public investment, especially in infrastructure, is often regarded as one of the tools available to jump-start economic activity and to create employment. Public works connected with improving the environment and providing social services in which vulnerable groups and the long-term unemployed could be employed have been organized at the community level. Both developing and transitional economies frequently use labour-intensive works programmes to make better use of more plentiful labour. Programmes of that nature have been implemented to respond to emergency situations where it is necessary to create short-term employment and put in place basic economic and social infrastructure. Labour-intensive works have also been cost-effective and competitive in rehabilitation, maintenance and development of infrastructure, including rural roads and erosion control works, under general investment programmes. The Government of Cambodia has encouraged the adoption of labour-intensive methods in irrigation, land reclamation, reforestation and the construction and maintenance of roads. In Indonesia, Australian aid programmes have been used to assist national and local governments in designing and implementing labour-intensive village works. In Mozambique, over 53,000 persons have been employed in the short term to build infrastructure. In the Philippines, the use of labour-intensive methods in infrastructure projects was integral to the employment strategy.

212. The Government of Austria has regularly used public investments as a means to combat high seasonal unemployment. The Government of Luxembourg reported that it will increase public investments to develop and modernize public infrastructure and to create employment and stimulate economic growth.

9. Programmes for special target groups

Youth

213. Youth unemployment is an issue of special concern to countries at all levels of development. In developed economies providing employment opportunities to the youth is important to avoid long-term unemployment and social exclusion. In many developing countries, systems of higher education are reported to have turned out growing numbers of youth unable to find work. Further, unemployment among youth has been linked to various forms of social unrest, including armed conflict.

214. Within the European Union, the Governments of Austria, Germany and the Netherlands reported comparatively low rates of youth unemployment, both in relation to each country's overall unemployment rate and in comparison with the average rate of youth unemployment in the EU as a whole. Governments in most countries in the European Union took steps to further reduce youth unemployment, inspired by EU employment policy guidelines.

215. Zambia has developed a national youth action plan, with primary emphasis on youth empowerment. In Trinidad and Tobago, unemployment among the 15 to 19 year old age group is nearly 39 per cent, more than twice the rate in the economy as a whole. In order to address this problem and facilitate the transition from school to work, the Government has implemented several targeted youth employment schemes. An enterprise development support system has been designed to increase the number of small businesses that are successfully owned and managed by persons between the ages of 18 and 35 years. Other programmes, such as the youth training and enterprise partnership programme, offer comprehensive training to young people to help them gain either wage employment or become self-employed.

216. In many transitional countries, including Ukraine, young people and women of working age, a disproportionately large group among the unemployed, are particularly at risk of slipping into poverty.

Employment for people with disabilities

217. The creation of employment opportunities for people with disabilities has been associated with the goal of creating an inclusive society. Further, growing numbers dependent on welfare have begun to overstretch national social security systems and greater efforts are being made to help people with disabilities to make the transition from dependence on social assistance to active participation in the labour market. In Ukraine, the vocational rehabilitation of disabled persons has received renewed attention from Government both in order to ensure equal access to the labour market and to shift from passive disability related unemployment benefits to active labour market policies. In Canada, under the Employability Assistance for People with Disabilities, funds have been provided through provinces and territories to help people with disabilities to prepare for, obtain and maintain employment. The Government of Uzbekistan has offered special terms, credit and grants to people with disabilities who wished to start up a business, and has granted tax-exempt status to enterprises where over 50 per cent of the workforce are disabled.

Migrant workers

218. The ILO has estimated that between 2 and 3 per cent of the world's labour force are migrants. Although national policies have greatly restricted the international flow of labour, especially as compared with international capital flows, employment of migrant labour has increased since the World Summit for Social Development. A part of the problem with migrant labour is that such flows are subject to sharp reversals, as in Malaysia following the financial crisis in 1997. Migrant labour is an important source of income for some countries; however, questions of social protection and of rights of workers are often raised.

219. The Government of Uzbekistan, in accordance with ILO and United Nations conventions, is regulating labour migration at the level of the Commonwealth of Independent States and the Central Asian Republics in order to recognize and respect migrants' rights. In Trinidad and Tobago, a growing number of workers who regularly took up seasonal employment abroad complained to the Ministry of Labour and Cooperatives about unfair treatment. In responses, the Standing Tripartite Commission on Labour Matters, which was re-established in 1998, took up matters relating to the rights of migrant workers in the framework of ILO conventions. In the Philippines, the number of emigrant workers increased on average by 2 per cent a year from 1993 to 1998. The number of persons employed overseas was highest in 1998. In 1995, new legislation

was enacted on migrant and overseas workers, establishing a higher degree of protection for migrant workers and their families. In Zambia, while the total number of people contracted to work in South Africa fell slightly from 1994 to 1998, in the new contracts there was a shift from relatively well paid jobs in mining to more poorly paid jobs in agriculture.

Indigenous peoples

220. A few countries reported on employment policies with respect to indigenous peoples. These policies on the one hand respected the cultural identity, diversity and special needs of indigenous peoples, and on the other provided opportunities for indigenous people to participate in the mainstream labour market. Under the indigenous employment policy, more than 30,000 indigenous Australians have voluntarily forgone their rights to income support benefits to participate in community employment development projects which have assisted individuals in acquiring skills that benefited the community, developed business enterprises and led to unsubsidized employment.

F. Enhancing the quality of employment

1. Labour legislation and international labour standards

221. Several Governments reported undertaking major revisions in labour legislation. The economies in transition have developed new labour codes to adjust to the needs of a market economy; other revisions have attempted to introduce increased flexibility into labour markets. Many reported on the adoption of ILO conventions, including those relating to fundamental principles and rights at work. Some others reported having used ILO standards and recommendations as guides for national policy and practice in specific areas, such as migrant labour and employment services.

222. In Uzbekistan, the new labour code is based on a mix of market economy policies and a strong government-enforced social policy, under which the Government is to provide job placement services, material support, severance pay, unemployment allowances to workers and more severe civil penalties for breaches of workers' rights. The Government of Finland reported that it has ratified a total of 94 ILO conventions, including all seven core conventions mentioned in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up. The Government of Slovakia has used ILO conventions in the design and implementation of the employment and labour market policies contained in its national employment act. The Government of Trinidad and Tobago reported that it has ratified 14 ILO conventions, including six of the seven core ILO human rights conventions.

2. Social dialogue

223. There have been strong tendencies to increase employment in the informal sector and a marked decline in the number of workers organized in trade unions. However, several Governments reported positive developments with regard to social dialogue. These developments include not only the occasional growth of representative employer and worker organizations and their traditional strengths in collective bargaining between employers and workers but also an expansion of social dialogue to include social and economic policy formulation and institutions. The Government of Finland reported a high degree of trade union density, with a higher density among workers in the organized sector. Those strong tripartite mechanisms were reported to have created a stable economic environment in some industries, although at times they reduced dynamism in labour markets. Nevertheless, that strong tripartite labour market model was a valuable resource which contributed to flexibility in the economy and supported national economic and employment strategies. An example of such combined economic and employment strategies were incomes policies agreements that were arrived at through a process of tripartite negotiations in 1996 and 1998. The Government of Germany established an alliance for work, training and competitiveness, with the participation of representatives of industry and trade unions.

224. Many Governments reported that social partnership was one of the most important factors in the regulation of social and economic processes. In Ukraine, under the Employment Act, a coordinating committee to promote employment as well as corresponding regional committees have been appointed, and these committees are composed of an equal number of representatives of trade unions, state administrative bodies and employers. The European Employment Pact, adopted in 1999, called for the involvement of social partners at all levels, not just in

coordinating employment strategies, but also in implementing structural reforms and in developing of monetary, budgetary and financial policies. The Netherlands consensus model, which provides the foundation for success in promoting employment, is based on respect for the responsibilities of employers' organizations, trade unions and government. Thanks to the consensus model, growth in real wages has been considerably lower than in the European Union as a whole, making it possible to remain competitive while raising employment. The consensus model has enabled not only the emergence of informal agreements between the Government and social partners but also the participation of several national institutions, such as the Foundation of Labour and the Social and Economic Council.

3. Reconciling demands of family and work

225. The general trend has been towards greater participation of women in the labour force; yet there have been setbacks. In many transition economies, women's participation in the workforce has fallen and childcare facilities have decreased. In developing countries, women are working longer hours to combine family care responsibilities with income earning. The Government of Germany noted that men do not participate sufficiently in family tasks; most of the problems relating to the reconciliation of family and gainful employment have to be solved by women. Several Governments have introduced measures to recognize the importance of childcare for those employed. The Government of Switzerland has introduced measures to take time spent on children's education into consideration when determining qualifications for unemployment insurance. The Government of the Netherlands has taken measures to facilitate the combination of work and childcare responsibilities. In 1996, the principle of equal treatment of work hours, whether part time or full time, was incorporated into the civil code. The Government pays special attention to expanding childcare facilities which are short in supply.

4. Equality of treatment

226. The Government of Canada noted that despite a doubling of their paid labour force participation, women's share of unpaid work has declined only slightly since the 1960s. Furthermore, although women's incomes compared to men's have gradually risen, on average women still earn significantly less than men. The Government of Germany has adopted unequivocal statutory requirements that women should participate in active labour market policy measures and furthermore receive promotions at a ratio equal to their percentage of the unemployed. In Japan, the Government has promoted measures to change people's attitudes towards stereotyped sex roles traditionally observed in households, the workplace and society, with the aim of assisting women to utilize their skills and abilities. Furthermore, in June 1997 a law to guarantee equal opportunity and treatment between men and women in employment was adopted, which dismantles restrictions on overtime work, holiday work and late-night work by women.

G. Conclusions

227. It is evident in most national reports that employment is an issue that impacts other main themes of the Summit, including poverty alleviation, social integration, the mobilization of resources and capacity-building. Employment is at the centre of all aspects of social development, and policies for full employment are an integral part of broader social and economic policies if they are to be effective. Such integration in practice took on many forms. While many national economic policy institutions, including national central banks and social and economic councils, have employment specifically included in their mandates, the goal of full employment has in practical terms often been neglected in favour of a macroeconomic policy aimed at stabilization, fiscal austerity and budgetary balance. An analysis of national reports reflected a divergence on whether or not employment can best be achieved indirectly, by putting in place what are viewed as "sound macroeconomic policies", or directly by explicitly modifying and targeting such policies to foster employment creation. And even if the first hypothesis is accepted, there remains considerable debate and scope for divergence as to exactly what such sound macroeconomic policies ought to be.

228. Since the Summit, social and economic policy has become less the domain of technocrats. Increasingly, these issues have become the subject of scrutiny by and indeed the responsibility of politically elected representatives as well as of social partners representing the world of work. Whether the Summit indeed inspired these developments or simply captured

and provided new impetus to trends that were already afoot is not especially important. What is important is the recognition that the goal of full employment has political and social ramifications to which economic policy must adequately respond. While robust economic growth indeed continues to be a strong determinant of employment creation, increasing attention is being paid to how to increase the employment intensity of economic growth, both in the skill-intensive knowledge-based economies and in labour-intensive developing economies.

229. There have been tendencies to integrate income support policies for the excluded and vulnerable with active labour market policies in favour of those able to work. This trend, while prominent in the labour market, is also at the centre of policies designed to combat social exclusion. Social security systems have been installed to provide social safety nets. It has been increasingly recognized that active labour market policies must work to eliminate dependence and decrease financially and politically unsustainable levels of social assistance by giving priority to employment and inclusion.

230. However, the shift from welfare to work, when poorly implemented, has contributed to increasing the numbers of the working poor. Sharp curtailments in the scope, level and coverage of various forms of social security (i.e., pensions, disability allowances, unemployment insurance, subsidies) have resulted in people being pushed into poorly remunerated employment in an uncertain job market. In those countries where an increase in employment of this nature was reported, often the increase was attributed largely to short-term employment, part-time work and other insecure and poorly protected forms of employment. In developing countries, employment in the formal sector has stagnated and often regressed, with increased employment confined largely to the informal economy. Therefore, the challenge of employment policy is not simply to create more jobs but also to create what the ILO Director-General has called "decent" work. It is necessary to take uncertainty and insecurity out of employment in developed countries and improve productivity and extend social protection in the informal sector in developing and transitional economies.

231. A final and most important conclusion relating to employment that derives from the reports is the importance of implementing policies and programmes to achieve the goals set by Governments and the rest of society. In many countries, Governments have developed national policies and programmes for employment creation but employment has either stagnated or in some instances regressed. Setting national goals and policies is a necessary but by itself insufficient step towards achieving the goal of full employment.

IV. Social integration

232. In the Programme of Action of the Summit, the aim of social integration is to create a "society for all", in which every individual has an active role to play. The Summit recognizes that an inclusive society must be based on respect for human rights and fundamental freedoms, social justice and special needs of vulnerable and disadvantaged groups, popular participation and the rule of law. The Programme of Action identifies means whereby Governments can achieve these goals, including encouraging responsive government and full participation in society, non-discrimination, tolerance and mutual respect for all, valuing diversity, promoting equality and social justice, responding to social needs, reducing violence, crime and problems of illicit drugs, and encouraging family and community responsibilities.

233. Member States reported on measures they had taken in fulfilment of these commitments. Governments have developed new policy instruments, set up institutional arrangements, strengthened participation and dialogue with all social actors and launched programmes to foster social cohesion and solidarity. Programme initiatives have been made to promote good governance, social justice and equity, providing protection and welfare, equality of opportunity and encouraging increased participation by vulnerable groups, including children, youth, women, persons with disabilities, older people, ethnic groups, refugees and marginalized communities. Efforts have been made to address issues related to disparities, particularly to equalize opportunities for ethnic minorities and other vulnerable groups. Special emphasis has been given in a number of countries to conform to regional and international agreements and standards. These include relevant international human rights instruments, such as the Convention on the Rights of the Child, the Beijing Platform for Action, the World Programme Concerning Disabled Persons to

the Year 2000 and Beyond, the Standard Rules on the Equalization of Opportunities for Persons with Disabilities, the Asian and Pacific Decade of Disabled Persons (1993-2002), the World Programme of Action for Youth to the Year 2000 and Beyond, and the International Year of Older Persons.

A. Democratization and greater participation in government

1. Equality of treatment and human rights

234. Government action to reduce discrimination and inequalities has included the assurance of the equal enjoyment of political, economic and social rights, equal participation in decision-making and representation, equal access to employment opportunities and social services, and measures to reduce inequality in the distribution of income and other disparities.

235. In Armenia, there is substantial inequality in the distribution of income and problems of marginalization. The number of poor and homeless people has increased, as the earlier State-provided-schemes of social protection have disintegrated. In the Czech Republic, the Government, in collaboration with non-governmental organizations has initiated a process of modernizing welfare and social protection programmes with the aim of providing more equal access to services for all citizens. The Government of Cuba has sought to eliminate all forms of discrimination, respect diversity, promote equality of opportunity and preserve fundamental rights. In Trinidad and Tobago, the Government established a Commission to investigate complaints of discrimination in employment, education and the provision of goods and services and accommodation.

236. Raising awareness about human rights was another means employed to increase the participation of citizens in the mainstream of society. The Government of Croatia has established a national committee for education on human rights to increase awareness and educate citizens about their political and legal rights.

2. Participatory government

237. Most countries reported progress in increasing the participation of non-governmental and community-based organizations in the planning and implementation of social development initiatives. In several transition economy countries, legal frameworks have been adopted to define the role and to regulate the participation of non-governmental organizations in decision-making processes. Several developing countries, particularly in Africa and Asia, established support programmes for civil society groups, including financial and institutional assistance and the training of community leaders.

238. In 1995, the Government of Belgium established a permanent inter-ministerial conference on social integration, with the participation of central, regional and municipal government representatives and community organizations. In Portugal, social policies have been designed with provision for the participation of representatives of civil society, including the national family council, the national council for the rehabilitation of people with disabilities and the national council for an old age policy. The Law of Public Organization adopted recently in Armenia defines the rights to and scope for participation by NGOs in public life, as well as the Government's right to limit the activities of certain organizations.

239. Socio-economic development policies in Romania have been increasingly based on the principle of decentralization. Local communities and non-governmental organizations have been made participants in the provision of social services. In 1998, a programme was initiated to open government to civil society by supporting NGOs in social services. The Government of Bhutan has initiated a process of decentralizing government. Newly established block development committees and elected district development committees have been designed to contribute to planning and implementing social development policies. A special training programme for members of local development committees has been established to enable them to contribute to and participate in the decision-making process. The Government of Cambodia has established a network of elected non-political village development committees that contribute to social development planning. The number of NGOs operating in Cambodia increased from 150 in 1995 to 400 in 1999, many of whom function autonomously in the provision of social services and the advocacy of human rights, democratic values and public awareness on social development issues.

240. The Government of China has established urban neighbourhood committees and rural village committees, consisting of elected representatives, which function as autonomous, grass-roots organizations through which civil society can exercise democratic rights directly. Popular organizations are increasingly involved in social assistance and projects in poverty-stricken areas. In the Philippines, local government units have been assigned greater responsibility in identifying, planning and implementing social development projects. NGOs are involved in national and local decision-making, including the work of the national anti-poverty commission. The Government of Singapore, in conjunction with civil society organizations, including community development councils, provides financial assistance to low-income families. Community groups play a key role in mitigating the most adverse effects of the economic crisis. To facilitate and coordinate the work of civil society in social development, the Government established a national volunteer centre in 1999.

241. Argentina has initiated a local development support programme to strengthen citizens' ability to participate in social development planning. The programme for the strengthening of civil society includes measures to improve knowledge, strengthen community groups and establish social networks by training of local community representatives. The Government of Cuba has reformed its Constitution to improve popular participation and decentralize decision-making to provincial, municipal and local governments. The Government of Panama has adopted a new programme of subsidies to non-profit organizations and other civil society groups with the purpose of improving and expanding social service programmes for vulnerable groups.

242. Under its 1997 national poverty eradication programme, the Government of Jamaica has undertaken many activities to increase popular participation. Reforms have been instituted to strengthen the rule of law and to establish an office of the public defender and parliamentary ombudsman. To promote accountability and transparency, Trinidad and Tobago adopted the Bill on Integrity in Public Life, which set out standards and legal sanctions for all civil servants. The office of the ombudsman was reformed to strengthen its role in monitoring administrative decisions and the enforcement of human rights. A community development fund was created to provide support to NGOs and community-based organizations.

243. In Algeria, human rights education has been integrated into the curriculum of several university programmes with support from the United Nations Educational, Scientific and Cultural Organization (UNESCO). To promote civil society participation in national decision-making on social policy, the Government created the higher council on education and on youth, the national commission for the preservation and promotion of the family and the national council on women. The national framework for social policy in Burkina Faso, the sustainable human development policy letter of intent, adopted after the Summit, included provisions for safeguarding citizens' rights and security. The Government of the Gambia adopted a local government system and decentralization programme to improve democratization and access to decision-making at the local level. The programme was complemented with various decentralized rural development activities. The Government of Lesotho adopted comprehensive good governance reforms to make government more democratic and decentralized and to strengthen elected village development councils.

244. Comprehensive decentralization reforms in Mali have established a nationwide network of municipalities to strengthen local democratic institutions and to foster popular participation. To promote good governance, the Government of Ethiopia has established a human rights commission and an office of the ombudsman. Civil service reforms were initiated to improve accountability, transparency and efficiency in all levels of government.

245. In Mozambique, a legal framework has been created to provide for the participation of civil society in social development policy-making and implementation and to simplify procedures for government approval procedures of new NGOs. Similar legislation has been adopted in Madagascar. The Government of Mauritania established in 1998 a commission on human rights, poverty alleviation and integration to facilitate and support the participation of grass-roots organizations. In 1999, the Government of Zambia adopted a policy framework on good governance that includes initiatives to improve access to justice, strengthen the rule of law and independence of the judiciary, reduce corruption, and increase transparency and accountability in government. Social

integration policy in Zambia also includes efforts to empower civil society, principally through the provision of basic social services, such as education, health and housing. In Kuwait, NGOs participate actively in the achievement of social, economic and other goals. Popular participation in social development has been promoted to reduce the role of the State and provided legitimacy to these initiatives.

B. Integration of groups at risk of marginalization

1. Children and youth

246. Many countries have made progress in improving the rights of the child. Several Governments reported taking steps to integrate children's rights, including protection against child labour, into national plans of action and policies. Some countries have established national committees to monitor the implementation of relevant international agreements. A number of countries have created support mechanisms for low-income families and single mothers and mothers exposed to domestic violence and drug addiction. Many Governments have taken steps to enhance the social protection of children by strengthening human development programmes and basic education in early childhood, and steps have also been taken to reduce drug abuse and prevent criminal activities among children and youth groups.

247. However, much still remains to be done to protect the rights of children and integrate them into society. In some regions, problems of child labour, exploitation, poverty, marginalization and homelessness persist. In many countries, violence and crime, particularly domestic violence and violence against children, have not been successfully addressed. The use of illicit drugs and substance abuse among children and youth has increased since 1995, with substantial negative social and economic consequences. In some countries, social protection and standards of living of women and children have declined and in several countries it has not been possible to provide basic social services to children.

248. The Government of Canada introduced the national child benefit initiative in support of low-income families to prevent child poverty and strengthen parents' employment opportunities. In the Czech Republic, families with children are entitled to special social protection, including direct social assistance, as well as increased access to social services and tax exemptions. The Government of Kuwait has established child-care facilities for women employed in the public sector and expanded the number of kindergartens. A family support programme has been established in Lithuania through which children from poor families are eligible for direct assistance, provided by pre-school and school institutions. The Government of Singapore adopted a number of child-care support programmes for low-income families and single mothers, including financial assistance to pay school fees and other educational expenses. In 1998, Suriname adopted a programme to improve and protect the rights of children and youth, under which targeted investments were made to increase services for women and children.

249. To better protect the human rights of children, in 1998 the Government of Portugal established a national commission for the protection of children and young people at risk as well as a national plan to eliminate exploitation of child labour. Similarly, the Government of Panama has created a committee for the eradication of child labour and protection of young workers, and is implementing a programme for the promotion and strengthening of popular participation, which includes human rights education. In Sweden, in 1996 the Government appointed a parliamentary commission, the child commission, to review compliance with existing child policies and practices with the Convention on the Rights of the Child. In Barbados, the Government has established a national monitoring committee on the Convention. The Government of the Democratic Republic of the Congo has created a network of national and provincial children's councils, which provide support for institutional reforms to improve the social protection of children and to implement the Convention on the Rights of the Child.

250. The Government of Armenia has adopted legislation defining the rights of the child, including the role of the Government in protecting these rights, and children's right to adequate health care and education. The Government of Burkina Faso has formulated a plan of action to protect the rights of children as well as a separate national plan of action for the survival, protection and development of the child (1997-2000). In Madagascar, initial steps were taken to formulate a national policy on the implementation of the Convention of the Rights of the

Child. That initiative included a review, conducted with assistance from UNICEF, of national legislation with respect to children's rights, access to social services and protection against abuse. In Morocco, the Government reported only limited progress in implementing international agreements on the rights of children, particularly the girl child, with child employment still a widespread phenomenon. To address those situations, the Government adopted a national action plan for the protection of the rights of children.

251. The Government of Lithuania has initiated a national programme for the prevention of child and adolescent crime for the benefit of children and youth from socially disadvantaged families. The Government of the Czech Republic recently adopted a crime prevention programme, which addresses issues of prevention of child abuse, sexual abuse and child prostitution. A national committee on crime prevention, working at the local level, monitors these programmes and strives to locate and address the social causes of criminal activity. The Government of Cambodia has taken steps to address problems of trafficking in women and children for economic and sexual purposes, through improved border monitoring, training local authorities and police and support for victims of exploitation. In Malaysia, the Child Act aims to protect children from abuse, neglect, labour and sexual exploitation. In Jordan, the Government has established a centre to protect children from misconduct, operated in collaboration between government and voluntary institutions. An integral part of Mozambique's national poverty reduction strategy is the improvement of the social protection of children, many of whom have been marginalized from society by civil war, unemployment and poverty. The Government has established special war-related reintegration programmes for children, including the family location and reunification programme.

252. The social marginalization of youth is a problem of increasing severity in many countries. One important source of youth marginalization is unemployment and barriers to entering the labour market. Persistent high unemployment among youth has led to exclusion and alienation from society and in some cases to increased crime, drug abuse and violence. There is an increased awareness among Governments of the need for comprehensive youth policies. A large number of Governments have formulated national plans of action for the integration of youth and increased youth employment. As of January 1999, 83 per cent of Member States have adopted cross-sectoral national youth policies and 62 per cent have implemented national plans of action for youth (see A/54/59). Other initiatives reported by Governments include programmes to facilitate transition from the educational system to the labour market, efforts to enhance youth entrepreneurship and self-employment, improved social services for youth, increased youth participation in public affairs and measures to combat and prevent illicit drug abuse among young people.

253. A number of Governments have adopted employment strategies, specifically for the integration of youth into the labour market. In Austria, the promotion of employment is the prime means of fostering participation and social integration among young people. New forms of subsidized employment have enabled vulnerable and excluded youth groups to be integrated into society. In Canada, an important component of national youth policy is the facilitation of young people's transition from school to the labour market. The Government of Portugal has implemented a programme for the integration of young people into the labour market through vocational training and education. The Government of Australia recently introduced an employment and assistance programme for young people, the mutual obligation initiative, which provides financial support to unemployed youth on condition that they improve their job skills and contribute to the community.

254. In 1996, the Government of Belarus initiated a programme to provide short-term loans from the national employment fund to unemployed youth. The Government of Ukraine implemented a new national youth policy that includes the expansion of a network of local centres providing social services to young people. Separate measures to integrate youth in the labour market have also been initiated. In China, youth policies emphasize providing education and employment in the plan for the development of youth work and increased opportunities for participation. National youth organizations contribute to training and volunteer service programmes, and assist the Government in the re-employment of laid-off young workers. The Government of the Philippines has adopted a national development plan for youth, which

includes mechanisms for consultations with youth and opportunities for youth in decision-making.

255. An integral component of Jamaica's national poverty eradication programme is the improvement of the level of social protection for low-income unemployed youths, their parents and children. A youth training and employment partnership programme has been established in Trinidad and Tobago, which aims to improve young people's chances of permanent, remunerated employment or self-employment. Other means of youth activation include the civilian conservation corps and the youth enterprise programme. The Government of Algeria has created a national fund to support employment for the young, which provides financial assistance to small-scale enterprises. The Government of Mauritania established in 1996 a national youth council and was elaborating a national policy on youth development. In Morocco, the special employment programme in small enterprises for young people with special needs initiated in 1996 was expected to provide employment to 40,000 people by the year 2004. The Government has also established a system of assistance to young entrepreneurs and those self-employed. The Government of Zambia has adopted a national youth action plan based on the need to empower youth, with particular attention to engaging youth in productive employment and to foster entrepreneurship.

256. The Government of Ireland has taken measures to meet the growing problem of homeless children and young people, including the establishment of emergency residential facilities. To improve coordination with the activities of voluntary organizations, a forum on youth homelessness has been created. With respect to the problem of drug abuse, the Government has established a young peoples' facility and services fund to promote prevention and activation programmes. The Government of Cuba has initiated a programme of support for socially disadvantaged youth, which provides social protection and facilities for their integration into the labour market and reintegration into the education system. In 1998, the Ministry of Health adopted a programme for the prevention of drug abuse and the reduction of drug dependence. The efforts of the Government of Nepal to combat problems of drug abuse and trafficking in illicit drugs, all of which have had severe social consequences, especially on young people, was based on the 1996 national drug demand reduction strategy.

2. Older persons

257. Rapid ageing of population in many countries has had significant socio-economic implications for social security systems, individuals and families. Governments are aware of the need to integrate the aged into the broader development framework.

258. In many countries, laws have been enacted and policies and programmes implemented to benefit the aged. In some countries, provision has been made to promote lifelong learning, "active ageing" and healthy lifestyles. The participation of partners in private and non-governmental sectors is central in addressing these issues. Attention has been given to the implementation of international agreements and principles for older persons. In many countries, during the International Year of Older Persons, on the theme "Towards a society for all ages", activities were sponsored to benefit the aged (see A/54/268).

259. National coordinating mechanisms to address issues related to older persons have been established in some countries. A national committee for elderly people was established in Jordan as an executive body responsible for implementing government policies. Day-care centres for elderly people also provide rehabilitation services. In Singapore, the inter-ministerial committee on ageing population was established in 1998 to develop policy directions and work out recommendations. In Morocco the legal and financial status of pension funds has been revised and minimum pension increased. To improve health services for the elderly, the Government of the Syrian Arab Republic established a national committee on the care of the aged, with participation by NGOs and other voluntary organizations.

260. The Government of China has adopted the Law on the Protection of the Rights and Interests of the Elderly, formulated a programme of work for the ageing, and created networks to provide family support, community services for the care of the elderly and social security. It is envisaged that a national policy on ageing for the first half of the twenty-first century and a white paper on the status of the elderly in China will be prepared. The Chinese national committee on ageing and working committees at the local level as well as senior citizens' societies in urban and rural communities are working actively on these matters.

261. The Government of Japan attaches special importance to promoting employment opportunities for older persons. It encourages enterprises to provide employment up to the age of 65 and improve working conditions, including wages and personnel management systems. Through the programme to finance workplace for older persons, measures have been taken to improve elderly-friendly working environments and procedures. To expand short-term employment, the Government has taken steps to promote the establishment of an older workers' vocational experience resource centre. Late middle-age workers have been helped to improve their vocational and skills training and obtain information. A new "gold plan" was formulated to implement comprehensive measures for the promotion of the welfare and health-care services for older persons.

262. In Singapore, community-based services and programmes include senior citizens clubs, employment services for the elderly, day-care facilities, home care and hospices. Case management services aim to prevent premature and unnecessary institutionalization of older persons. Among measures taken to improve the physical environment for the elderly are the installation of lifts in new mass rapid transit stations and adding elderly-friendly features in apartments, and provisions for employment, volunteer work in the community and active grandparenting. Guidelines for part-time work have been designed to attract retirees into the workforce. The Government of the Philippines recently adopted a senior citizens law that entitles senior citizens to 20 per cent discount on transportation, meals in restaurants and the purchase of medicines. An office of senior citizens affairs under the office of mayor was established in all cities and municipalities to monitor the implementation of the senior citizens law and issue identification cards to senior citizens to enable them to obtain certain benefits.

263. In 1998, the Government of Bolivia enacted a law to provide discounts and privileges to benefit citizens older than 60 years. They will receive discounts of 20 per cent on the price of electrical energy, water, real estate property taxes and transportation. The Government of Morocco has revised the legal and financial status of the pension funds and raised minimum pensions. The Government of Cuba has implemented a programme of support for single older persons, which provides support to elderly persons and promoted independent lifestyles and full participation in the life of the society. The programme facilitates access by older persons to social services, provides economic and social protection and supports families of older persons with social services. Policies in Suriname secure incomes for the elderly to meet their basic needs and provide health-care services and trained service providers. Pension funds are under review and a comprehensive analysis of the status of the older person is to be undertaken. In Trinidad and Tobago, a senior citizens' bureau has been established to encourage older persons to lead an active life and contribute to national development. A database has been developed to identify skills available among the elderly to be made available to private sector enterprises and NGOs.

264. The Government of Austria has expanded programmes for older persons and set up a national committee to formulate a long-term policy for the elderly. In Portugal, the programme for integrated support of the elderly is directed at promoting their independence and at training relatives, volunteers and communities in providing care and support for older people. Funds from the social security budget are to be used to increase the number of positions in nursing homes. The Government of Spain has established a state council for older persons to facilitate the functioning of older persons' organizations and improve the level of social protection, including access to health and home-care services. In Azerbaijan and Belarus, the pension system has been reformed. Pension reform legislation has also been adopted in Estonia. The Government reported that although the economic situation of pensioners has improved in comparison with other groups, progress has been slow and the enhancement of the quality of life of the elderly remains a major task for the future.

3. Persons with disabilities

265. There is growing recognition in many countries of the need to address problems of disabled persons in the context of overall development and the broader human rights framework. This is evident from the shift in policy emphasis from the integration of disabled persons into social life to their full participation in mainstream development. The NGO community and the private sector concerned with disability issues have emerged as a new constituency in many countries. The objectives of full participation and equity and of

rehabilitation and equalization of opportunities are reflected in policies of Governments. The implementation of international norms and standards relating to persons with disabilities have also received high recognition.

266. Governments in many countries have implemented activities to strengthen legislative, institutional and policy frameworks to promote the rights and meet the needs of persons with disabilities. Several Governments in countries in Asia and the Pacific region passed comprehensive disability legislation and others specific areas crucial to the equalization of opportunities. The Government of China has revised its legislation based on the Law on the Protection of Disabled Persons and incorporated provisions on equal rights for disabled persons. In Malaysia, efforts have been made to formulate legislation to protect the rights of persons with disabilities and prohibit discrimination against them and to prevent abuse and neglect. In the Philippines, the magna carta for persons with disabilities was signed into a law.

267. In Burkina Faso and Jordan, national community-based rehabilitation policies for disabled people have been formulated to integrate disabled persons into society. The Government of Morocco created a high commission for the handicapped, which was transformed into a Ministry in 1998.

268. The Government of Cuba has implemented a national plan of action for persons with disabilities, including 36 programmes to integrate them into the economic and social life of the country. Particular attention has been paid to health, employment, education, social security, social assistance, leisure and information. In 1997, the Government of Trinidad and Tobago adopted a Policy for Persons with Disabilities, which aimed at full integration of disabled people into the mainstream of society. A national coordinating council on disability has been established to serve as an advisory body to Government. The Government of Panama has adopted a number of measures laying down norms relating to equal treatment of persons with disabilities and the design of public spaces accessible to them.

269. In Azerbaijan, several measures, including a national programme on disabled people (1998-2001), have been adopted for the benefit of disabled persons. Government agencies and organizations for disabled people have collaborated in the formulation of strategies in the areas of rehabilitation, employment and training, education and social security and the integration of disabled people in the society. Legislation for the rehabilitation and social security of disabled people has been approved. The Law on Special Education (1998) in Lithuania has established the structure of special education for disabled children and adult education for people with special needs. The Government of Uzbekistan has implemented a programme to organize a wide-ranging network of reintegration and rehabilitation centres for people with disabilities. Conditions favourable to increase the economic and entrepreneurial activities have been created with loans and grants to disabled people to start up their own enterprises. The National Council on Disability in Finland has developed a long-term plan of action on disability to integrate disabled people into mainstream society. The Government of Ireland has established a national disability authority, the board of which principally consists of people with disabilities, carers and families to oversee research on the disabled and monitor national disability policy and legislation.

270. In Kuwait, the Government provides comprehensive care in social welfare homes with social, psychological, medical, rehabilitation and training services for disabled persons. "Day care" facilities have been expanded. The Government of the Syrian Arab Republic has implemented a project to develop vocational training and employment facilitation institutions for disabled persons. A community-based project to promote the social integration of people with disabilities has been carried out by the Ministry of Social Affairs and Labour in conjunction with the ILO. Several programmes and initiatives have been undertaken in Mozambique to provide social assistance to disabled people. The most important was the community-based assistance programme providing services and resources to the disabled through home visits and counselling. A sign language dictionary was prepared for the deaf and blind and opportunities were provided for training them in various skills. The Government of Suriname expanded educational opportunities to people with disabilities, particularly children, and improved the provision of social services by training service providers.

271. In China, in the rehabilitation of disabled people, communities and families played a key role in

integration policies. Rehabilitation projects included iodine supplement for special groups, treatment for poliomyelitis and the education of deaf children. Attention was also paid to providing education and training for disabled children and young people. In 1998, the programme for poverty relief of disabled people was formulated to further support poor disabled people. The Government of Malaysia placed special emphasis on community-based rehabilitation services and provided financial assistance for setting up programmes and training for rehabilitation workers. Improved community-based programmes were expected to cover the entire country over the years. In the Philippines, a major project on the early detection and prevention of disability, especially among children, was undertaken under the five-year programme on social mobilization of persons with disabilities. The project covered over 210,000 children. The Government of Singapore created an advisory council on the disabled to formulate programmes to integrate disabled people into society. The code on barrier-free access to buildings was introduced.

272. In Trinidad and Tobago, disability grants to individuals 40 years and over were introduced in 1998. With respect to vocational training and education of persons with disabilities, the Government has granted financial assistance to the national centre for persons with disabilities. In Panama, an agreement with municipal governments has entered into force to establish norms for the design and construction of public buildings and spaces to ensure accessibility for persons with disabilities.

273. In 1998, Finland formulated a legislative proposal to promote employment and training of people with disabilities. Programmes have been instituted to give employment to mentally impaired people and other groups who were totally excluded from employment earlier. The Government of Ireland has undertaken a comprehensive review of the needs of the disabled, with special programmes of action being composed for persons with intellectual disabilities and people with sensory and physical disabilities.

274. The Government of Germany recently initiated a nationwide model project funded by the federal compensatory fund to improve integration and employment of unemployed persons with severe disabilities by the year 2001. Special attention is paid to the situation of women with disabilities with research projects and symposiums to identify their specific requirements. The findings are expected to provide a basis for the formulation of new policy approaches for projects in this area. A European vocational rehabilitation centre for young people with disabilities is expected to be built at Bitburg. The centre will be designed to offer vocational training to 250 people in neighbouring countries. In 1999, the Government of Germany organized an international expert meeting on European policies for the employment of people with disabilities, which formulated minimum standards for technical equipment needed at the workplace and for accessibility. It also recommended the provision of counselling and job procurement services.

275. In Canada, a national strategy for the integration of people with disabilities has supported many projects improving access to housing, transport, education and communications. The task force on disability issues, which includes Members of Parliament and observers of the disability community, has worked to identify priority areas. Their recommendations are incorporated in a report entitled "Equal citizenship for Canadians with disabilities: the will to act".

276. In the Czech Republic, a comprehensive approach to people with disabilities was reflected in the 1998 national plan on equalization of opportunities for persons with disabilities. The plan focused on education training, social security, family life and culture. Special attention was paid to the integrated education of children with disabilities. Grants have been provided to organizations for people with health disabilities and humanitarian organizations. Income tax relief has been provided to employers in respect of each employee with reduced working ability.

277. In Azerbaijan, programmes for integrating disabled people have included the development of creative activities for them and their engagement in physical and sports activities. However, resource constraints have limited the availability of modern material and a strong technical base. In Lithuania, under the Law on Special Education, school counselling services and specialized health care institutions provide educational, psychological and social assistance to children with special needs as well as their parents. Funds for publishing textbooks for students with disabilities are allocated from the central budget. Some secondary and vocational schools and institutions of higher education admit people with

disabilities. The curriculum for people with impaired hearing has been reformed.

278. Many Governments accord special attention to creating employment opportunities for people with disabilities. In China, an employment service network for disabled persons has been established. In the Philippines, in order to secure employment opportunities for people with disabilities, vocational rehabilitation centres have been created in four regions to provide psychological services, vocational training and referrals for employment. In Azerbaijan, under the Law on Preventing Disability and Promoting Rehabilitation and Social Security for Disabled People, special workplaces and quotas have been created for people with disabilities.

279. In Australia, several programmes are designed to improve access to the workplace by people with disabilities. Disability employment services help search for jobs and provide rehabilitation and pre-employment training. The Government funds a range of employer incentive programmes, including wage subsidies and workplace modifications. The Government seeks to integrate more effectively income support, active programmes of rehabilitation and employment assistance for people with disabilities. In Canada, a new opportunities fund helps persons with disabilities to find jobs and provides funds to organizations of Canadians with disabilities. Federal, provincial and territorial governments have formulated a new employability assistance for persons with disabilities initiative and developed a common vision on disability issues. Access to business services and financial assistance to people with disabilities in business and those considering self-employment have been improved.

C. Groups with special needs

280. In the Copenhagen Declaration and Programme of Action, Governments committed themselves to ensure the protection and full integration into the economy and society of groups with special social needs. Governments were encouraged to identify specific institutions and services to meet the social needs of vulnerable and disadvantaged groups, to promote their capabilities and experience and enable them to make positive contributions to society. Legislation and other means of organization were expected to ensure access to work and social services by vulnerable and disadvantaged groups. Implementing international standards and norms on children, youth, persons with disabilities, older persons, minorities, refugees and migrants were included in the policy responses of Governments.

281. Since the Summit, many Governments have implemented a wide range of policies and programmes to integrate vulnerable groups and strengthen their status and participation in development processes. Efforts have been made to reduce disparities, especially to equalize opportunities for disadvantaged and vulnerable groups to enable them to play useful roles in society. Initiatives have been made to integrate marginalized segments of society through better social protection, promoting employment opportunities, reducing vulnerability and raising public awareness. Programmes have been implemented to empower the poor and the most disadvantaged people with social services, skill development and training, and greater participation. Increasing emphasis has been placed on issues relating to vulnerable groups and placed within a broader human rights framework.

282. In Barbados, a key task of the recently established Ministry of Social Transformation was to increase the participation of NGOs and community-based organizations in the provision of social services. In Bolivia, municipal governments have been empowered to provide health care and educational and cultural services to the local population. A system has been devised to distribute public resources to local governments. A compensation fund was created to channel resources to states whose average income per capita fell below the national average.

283. The Government of Jamaica has adopted a community-based approach to development, involving partnership between the Government, community-based organizations, the private sector and other actors in civil society as well as the international community. There have been initiatives to augment the capacity of local government authorities, NGOs, and community-based organizations in planning, organizing, resource mobilization, implementation, management, monitoring and evaluation. The Jamaica Social Investment Fund is a part of this community-based approach that aims to improve community infrastructure.

284. In Lithuania, the Law on Social Services (1996) includes provisions for local governments to cooperate

with non-governmental organizations, religious communities and other entities in providing social services. In 1997, the social partnership coalition of Kaunas County was established bringing together representatives of governmental and non-governmental organizations from eight towns and regions. The Government of Suriname, in a policy statement, has placed special emphasis on disadvantaged groups. The Ministry of Social Services and Housing focuses its activities on improving the social welfare of vulnerable groups, including the elderly, people with disabilities, youth, families with low income and female-headed households and the provision of social services and community development. The Government has established a Unit of Ombudsman to promote and monitor the provision of social security.

285. In the social programme (1998-2000) in Romania, it is envisaged to provide social assistance to vulnerable groups, including families with many children, disabled persons and the elderly. Legislation relating to them has been revised to bring it into line with European Union legislation. The strategy for sustainable human development in Panama, adopted in 1998, includes programmes for strengthening human capital, bringing women into development, promoting popular participation, meeting basic needs, supporting vulnerable groups, increasing the productive capacity of marginalized groups and the integration of indigenous peoples into development processes.

1. Support for families and communities

286. Families and communities are strong forces of social cohesion and integration. Governments in their social development strategies take into account the role of families in society as basic providers of social security and protection. Policies and programmes have been implemented to strengthen families in performing societal and developmental functions. Increasing attention has been paid to sex equality since it is essential to family well-being. Concern has been heightened for the welfare of children and women, family values and parenting skills. Some Governments have targeted their interventions to improve the financial situation of families. Others have reviewed and revised their national legal instruments relating to the family to be in accord with international instruments and standards.

287. The newly established family unit in the Ministry of Social Development in Jordan focused on the protection of women and families. The Government has also formulated a social strategy for the family. The Government of the United Arab Emirates has created a marriage fund to provide financial benefits to low-income families repatriation. In Libya, new social security legislation includes special provisions for the protection of low-income and large families. In Trinidad and Tobago, the national family services unit of the Ministry of Social and Community Development provides counselling and training services to families, young offenders, schools and community groups.

288. The federal and regional governments as well as communities in Austria have jointly launched an investment campaign to create more child-care facilities to enable parents to balance work and family life. As a result, 20,000 new places for children below school age have been created. In the Czech Republic, the new system of state support for families pays special attention to low-income families with children, and the benefits are provided by Governments to prevent families from sinking below the poverty line.

289. In Malaysia, a number of innovative programmes have been implemented to help families facing threats of disintegration. These include children's homes, activity centres for children and families, counselling and the provision of financial assistance and services. The national family action plan was formulated to establish strong and resilient families. Special attention was paid to strengthen "smart partnerships" among individuals, groups, public and private organizations as well as civil society. Various community networks, such as child protection teams, juvenile welfare committees and day-care centres for the elderly, have been created.

290. Policies to support and empower families have received high priority in Australia. The Government has introduced a comprehensive and integrated approach to family, focusing on the provision of services and support to strengthen families. The family relationships services programme funds community-based organizations to provide such services as family counselling and therapy, family and child mediation, marriage and relationships education and family skills training. Under the new strategy, the Government intends to enhance the effectiveness of early intervention and preventive programmes and provide information to service providers, families and communities. It is envisaged to link existing programmes across all levels of government and

strengthen partnerships between the business sector and the community. Other major initiatives are for child care and the development of broader options for employment and training.

2. Ethnic minorities and migrants

291. Minorities, indigenous peoples, migrants, refugees and internally displaced persons are particularly vulnerable to poverty and social exclusion and require specific measures to ensure their social protection. The Programme of Action committed Governments to work for the social integration and participation of minorities, including respect for cultural diversity and human rights of national, ethnic, religious or linguistic groups. Minorities were ensured of the right to participate in decision-making processes of the larger society to which they belonged while maintaining their distinct cultural identity. Means of incorporating the interests and needs of minorities included consultation with minority groups at critical stages of decision-making, establishing informal councils, decentralization and local self-government (see E/CN.4/Sub.2/1997/18).

292. The Programme of Action also called on Governments to work for the specific protection and integration of indigenous peoples. Member States committed themselves to maintaining and enhancing indigenous identities and cultures, as well as enabling them to participate in decisions that affected their societies, including the enhancement of employment opportunities and access to social services. Although much remains to be done to achieve full protection of the identity and human rights of indigenous people, there is a growing worldwide awareness of their problems. Several Member States have adopted legislation and made initiatives in some areas, including land ownership, education and language programmes.

293. The Government of Canada has undertaken new initiatives to improve the situation of aboriginal Canadians, in particular by improving opportunities for their participation in society, under a new national action plan, "Gathering strength". The plan seeks to develop a partnership between the Government and the aboriginal population, recognizing their traditional customs, governance practices and local languages in order to develop and improve their overall living conditions. The Government of Argentina has taken steps to strengthen aboriginal communities through education and capacity-building at the community level and the establishment of a national institution of indigenous affairs. Indigenous people's rights to education, property and participation in local resource management are constitutionally assured. The Government of Panama has adopted a strategy for sustainable human development under which specific programmes to provide economic support to vulnerable groups included indigenous people. In 1997, a special administrative territory was created for the Ngobe-Bugle indigenous group. In Bolivia, a separate Vice-Ministry of Indigenous and Native People's Affairs has been constituted to grant titles to communal lands, recognize indigenous territories and provide education in native languages. The Council for Indigenous People serves as the institution through which the Government consulted with indigenous groups.

294. The Government of the Czech Republic has adopted special education and employment promotion initiatives for members of the Roma minority. This group has been severely affected by poverty and unemployment and marginalized from Czech society. The Ministry of Education, Youth and Sport has created a special advisory board for questions on ethnic education. Similarly, the Government of Spain has established the Gypsy development programme to improve the situation and enhance social integration for this group. In Ukraine, the reintegration of Crimean Tatars remained the main problem of social integration. Steps were taken to resolve problems relating to citizenship, education and the preservation of their indigenous culture and language. The Government of China has increased financial support and infrastructure investments in poverty-stricken minority nationality areas and implemented programmes to preserve minority cultures and languages. In Ethiopia, the national cultural policy (1997) was adopted to protect the identity and rights of minorities and to promote their participation in society. In Malaysia, the new economic policy and the national development policy aim to create unity among the several ethnic groups in its population. The national social welfare policy addresses the problems and needs of individuals and groups to integrate themselves into the mainstreams of economic and social life.

295. The social protection of immigrants and migrant workers requires the adoption of targeted and comprehensive integration policies. Governments need to ensure that migrants, particularly migrant workers

and members of their families, receive fair and equal treatment, including full respect of human rights, access to economic opportunities and equal access to social services, particularly education and primary health care. The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families assigns to host Governments the responsibility for ensuring that migrant workers enjoy treatment not less favourable than that enjoyed by their own citizens. However, progress in implementing international instruments on the protection of migrants has been limited and problems of violation of human rights of migrants have persisted. In many parts of the world, refugees and migrants do not receive adequate social protection and are subject to discrimination.[1]

296. In Finland, the Act on Integration of Immigrants and Reception of Asylum Seekers was adopted in 1999, containing measures to provide basic education and training to ease the transition and integration into Finnish society. With the aim of enhancing foreign workers' access to employment and participation in society, the Government of Germany has adopted an extensive social integration programme. The federal, state and local governments as well as community groups provide social counselling to migrants, language education, vocational training to improve access to the labour market, special training programmes for migrant women and projects to improve neighbourhood relations.

297. The Government of Portugal established in 1996 a High Commissioner for Immigration and Ethnic Minorities, whose task was to facilitate the social integration and employment of migrants and minorities. The Consultative Council for Immigration Affairs served to improve migrants' access to national political processes. The Government of Switzerland has adopted a plan of action that addresses the problems of female migrants, including problems of violence and sexual exploitation.

298. In Azerbaijan, every seventh person is a refugee or an internally displaced person. The large number of refugees severely affects the labour market. The Government lacks the capacity to monitor the activities of migrants and migrant workers. A new migration management programme has been implemented, with support from the International Organization for Migration.

299. The Parliament of Estonia in June 1998 adopted a document on Estonian state integration policy aimed at establishing the Estonian version of multicultural society, characterized by individuality, a strong common ground and a central role for the Estonian culture. The Government reports that separation of the two communities in Estonia does exist, and that efforts are under way for integration of non-Estonians into Estonian society.

3. Refugees and displaced persons

300. Governments committed themselves to provide social protection and assistance to refugees and displaced persons and respect their human rights in accordance with international agreements. Increasing violence, human rights abuses and ethnic conflicts have led to a rise in the number of internally displaced persons. Economic decline has also led to increased tensions among social and ethnic groups putting stress on social cohesion, as the numbers of migrant workers and refugees have increased in several countries. The number of refugees and internally displaced persons in the transition countries of Eastern Europe and the former USSR have increased due to economic decline, unemployment and armed conflicts in the region. Africa is also afflicted by problems of refugees and displaced persons with the eruption of conflicts and deteriorating security situation in some areas. There has been an improvement in the situation of refugees in Asia, with reduced tensions and armed conflicts in most countries in the region.

301. In several countries, special policies and programmes for integration have become necessary because of internal conflict and war. In Croatia, the Government has focused attention on the reconstruction of physical facilities for public organizations and housing in the most severely war-torn areas. In Mozambique, the protection of disadvantaged groups, especially those displaced and disabled by war, returning refugees and demobilized soldiers, have received priority. The Government has established the national committee for social integration to work on resettling groups affected by war. Under the social protection network developed by Government, there are programmes to provide subsidized food, a social fund for medicine and a school fund. The national institute for social assistance has been created to implement social assistance programmes and promote employment.

D. Conclusion

302. From the reports of Governments, it is evident that social integration is a particularly complex objective to achieve. The expansion of economic space often permits the better integration of various groups in society, but slow economic growth and development in some and economic decline in others during the last five years have been a principal barrier to closer social integration. People in poverty are marginalized, with poor capabilities to participate fully in the functioning of their societies. Unemployment not only drives persons into poverty but also disrupts social bonds and networks established through the workplace. Unemployment and poverty reduce chances for children to receive an education and fully participate in common processes of socialization.

303. Reduced government resources, whether because of weak economic growth, deliberate decisions to reduce government expenditure or incompetent tax administration, reduce the capacity of Governments to implement policies and programmes to promote social integration. Yet many Governments have enacted laws, established new government agencies and implemented policies and programmes to bring communities together, enable the disabled and the aged to fully participate in the activities of their societies, reduce deprivation, eliminate discrimination, provide social protection, and increase mutual understanding and respect for each other. International norms and standards to promote social integration, agreed upon in the United Nations system or regional organizations, have also been actively adopted by several Governments. More resources and the more effective use of resources in programmes to promote social integration can contribute substantially to those ends.

304. The progressive adoption of democratic forms of government have contributed to opening opportunities for people to participate in decision-making regarding governance and the implementation of policies that affect them. The devolution of political power, the decentralization of administration and the development of local and municipal government are reported to have contributed to greater social integration. Conflicts between ethnic and religious groups in some countries has been solved or eased by adopting one of the means mentioned above. That they persist in several countries is proof of the inadequacy of these approaches to reconcile the rival claims of contending parties. Fresh understandings and approaches need to be developed to avoid large-scale violence, much destruction to persons and property, and enormous damage to human welfare.

305. Avoiding and reducing conflict among groups in each society is crucial to furthering social integration in several countries. Conflict over the distribution of resources and benefits from government action is sometimes a cause for division. In other cases, conflicts arise regarding who should control instruments of government. Beneath those open conflicts there have been historical memories of old conquests and injustices, sometimes in recorded history, sometimes in myths and legends. The search for identity within groups smaller than the nation state has made the tasks of social integration much more difficult. Those tasks have distracted attention and resources from the positive aspects of social development to those of conflict resolution, the reconstruction of destroyed physical infrastructure, the rehabilitation of populations that were displaced or that fled as refugees, and the restoration of peace. There are major tasks of disarmament, building up confidence between deeply divided parties, reconstruction and development and the installation of institutional machinery to avoid future conflicts. Public education on a wide scale can be helpful.

306. One of the more encouraging developments in the growth of participation by people in government and society has been the strengthening of civil society institutions. They provide means for people to work together to promote common interests, work independently of government and exercise checks on excesses committed by Governments.

307. Reports from Governments gave detailed accounts of policy initiatives to integrate various social groups into the mainstreams of economic and social activity. Children and youth, older persons, the disabled and those with special needs have received attention in almost all countries. The family is often considered an institution of high value in these initiatives.

308. International attention to the solution of problems of social integration has been of many kinds. The outcomes of the several conferences of the United Nations system have provided encouragement, knowledge and norms and standards, though little resources. The United Nations and regional organizations have been instrumental in stopping

violence and establishing peace in a number of instances. There have been many more instances in which, resources permitting, the international community could have acted more forcefully to stop internal conflict. The work of caring for displaced persons and refugees has also suffered from a similar scarcity of resources. With greater commitment, the international community could contribute far more substantially to integrating persons affected by conflicts into their societies, and more importantly, to preventing the outbreak of discontent and disagreement into open warfare and destruction.

V. Mobilization and utilization of resources for social development

A. National efforts

309. The mobilization of resources, domestic and foreign, their allocation and efficient utilization are central to achieving the objectives of the Summit. The Summit itself highlighted the need to tap a variety of resources and seek innovative sources — both public and private — and to ensure the efficient use of those resources, and stressed the importance of national and international cooperation for those purposes.

310. The factors that Governments have considered in deciding upon the volume of taxation and expenditure and the allocation of expenditure among competing uses go well beyond those of social development. The share of public expenditure allocated for social development is the outcome of many considerations in any country, including the severity of problems, the contribution of the private sector resources for the solution of those problems and the amenability of those problems to solution by public sector intervention. Consequently, as expected, there are wide variations among countries in the volume of resources allocated for social development and the allocation of those resources among the component elements of government expenditure for social development.

1. Mobilization of resources

Taxation

311. Since 1995, the Government of Australia has made a number of important changes in economic and social policy to improve the mobilization and utilization of resources for social development. The tax system has been reformed to help maximize employment growth and income tax rates were reduced. There is strong commitment to mobilize resources for social development from the business and community sectors. The new goods and services tax is expected to raise and stabilize revenue inflow to states and territories to enable them to ensure the provision of essential community services, such as hospitals, emergency services and schools. In Colombia, tax reforms are expected to increase resources for health care, and mandatory contributions for health care have been raised. A solidarity fund to pay for services to indigenous people, displaced persons and other marginalized groups has been created. The Governments of Armenia, Colombia, Nigeria and Zambia reported that measures have been taken to broaden the tax base and make tax administration more efficient. In Madagascar, major fiscal reforms have been implemented, but the ratio of income to expenditure has not significantly improved because of the weak institutional capacity of Government for fiscal management.

312. Governments in several economies in transition have reported the shift from direct to indirect taxes, with revenue from value-added taxes and excise duties set to increase. In Armenia and Lithuania, indirect taxes have become the main source of government revenue.

313. The Governments of Australia, Germany, Netherlands, Luxembourg and Portugal reported tax reform efforts. They have also introduced tax relief measures to strengthen the financial position of families and ease the burden of raising a family. Incentives to work and save have been provided by increasing the income threshold for family payments (Australia) and making taxation and social welfare more compatible with work.

Changes in financing patterns

314. To raise more resources and reduce subsidies for the better-off population, some Governments have explored new ways of raising and channelling funds for social services. A method that has gained popularity is user fees, whereby users directly pay a proportion — usually small — of costs. The Government of Zambia has introduced user fees for selected public goods as part of its resource mobilization strategy. It is expected that charging user fees will help to instil

responsibilities in use of resources and reduce wastage. The Government of Ethiopia acknowledged that cost-recovery schemes may help reduce financial burdens of Governments. In Jamaica, cost-recovery/sharing is expected to improve the quality of care through more efficient management of public services and also increase revenue. Cost-sharing schemes in both the health and education sectors in the Gambia are expected to recover some costs and help increase access to health services. In Bolivia, co-financing arrangements have facilitated equity in the distribution of public resources.

315. In many developing countries, charging users fees for social services is contentious. The Government of the Philippines indicated that social development projects, unlike economic projects, are usually linked with the creation of public goods, and therefore full cost recovery is difficult. The Government of Jamaica reported problems with the introduction of user fees, chief among which were inefficiencies in collection. In the Gambia, user charges have been far too small to cover the cost of drugs. Cost recovery could limit access to social services, where poverty is rampant. In Ethiopia, households struggling with scarcity every day are not ready to invest in either education or health care, and there is gross underutilization of elementary public facilities charging user fees, even though small. User fees may hinder the poorest from access to essential services.

316. In many developed market economies, welfare services are financed out of tax revenue. In Finland, comprehensive social and health services for all those in need are provided without high user fees. On average, the central Government pays one fourth of the costs of health services through subsidies to municipalities and half the costs in education.

317. Governments in many developing countries reported increased community and private sector participation in the provision and funding of social services. In Trinidad and Tobago, community participation in planning and programme design help to reduce waste by improving targeting. In Mauritania, community participation in the financing and management of the health-care system is an important element of restructuring that sector. In Nigeria community-based activities are key to improvements in quality and reductions in cost. In the Gambia, the benefits of community financing are well recognized.

318. In Pakistan, the poverty alleviation fund has been incorporated as a non-profit company. Acting as a wholesaler for microenterprise development, it also aims to support local-level infrastructure development as a means of community organization.

319. In some countries, community resources for social services are contributed in the form of land, labour and material. In Bhutan, for example, parents' labour and in-kind contributions to the construction and maintenance of community schools help to meet the rising demand for education. In other developing countries, parent-teacher associations play a vital role in providing additional resources. The Government has assisted local NGOs with project coordination and funding. In Argentina, since 1995 community resources have been used to purchase some educational equipment and build infrastructure.

320. Non-governmental organizations have frequently cooperated with Governments to develop programmes and raise funds. In 1998, the Government of Lithuania instituted a three-year programme under which matching grants were made to NGO projects in social services and infrastructure development. In Japan, the Government subsidized not more than half the cost of social development projects undertaken by NGOs. The Romanian Government adopted in 1998 a similar programme to subsidize a percentage of NGO costs in some social development projects.

321. The Government of Luxembourg indicated that increasingly large portions of social spending are financed by the State budget instead of the traditional contributors -- the insured and the employers. In order to maintain competitiveness of enterprises by keeping social costs low, the government budget has been called upon to pay for all social innovations, such as increases in family allowances, the introduction of parental leave and assistance with costs of residence, in addition to the expenses that the Government has already defrayed for health care, dependency and old-age pensions.

322. In many economies in transition, social services previously provided by enterprises have been phased out after privatization and taken over by the Government. In Uzbekistan, pre-school facilities provided previously by enterprises have been taken over by Government in order to secure reliable services since enterprises had difficulty in continuing to provide funds for them.

323. The Government of Lesotho indicated that it sought to mobilize resources primarily domestically, although efforts have been made to secure external donors assistance. The Government of the Gambia reported that, in real terms, resources available for social services, particularly for the health sector, have actually shrunk over the years. In Colombia, increased resources for one sector (health) have had to be balanced by reductions in another sector (education). Madagascar reported that despite the reform of the civil service, efforts of the Government were not sufficient to install basic services, which remained hampered by the paradoxical coupling of a hiring freeze and the lack of human resources. Tunisia sought to ensure that social spending is cost-effective by improving the machinery for social investments.

2. Utilization of resources

Allocation in government budgets

324. Government social expenditure is partly on public goods and services and partly to achieve distribution objectives. The ratio of public expenditure to GDP and the share of social spending in total public spending increases in proportion with rising per capita income. Per capita expenditure on social sectors as well as government budget allocation vary significantly from one country to another.

325. The Government of Germany reported the preparation of a detailed "social budget". The social budget summarizes social benefits available to the citizens and the way they were paid for, together with a medium-term forecast. In social budgets, benefits are identified by the institution providing the social service (such as health or pension insurance) and by functional purpose (coverage of risks of old-age, illness or unemployment). The amount and sources of funds for social protection are distinguished between tax revenue and contributions from individuals or corporations. Expenditure on social benefits each year are expressed as a percentage of the gross national product to give a social benefit ratio indicating the weight of expenditure for social protection in the economy.

326. The Government of Australia remains committed to providing for social development priority from the budget, paying for essential public goods and services, and providing and maintaining fair and effective social safety nets to support those most in need. In order to ensure that government resources are used effectively and efficiently, a programme of budget policy reform has been initiated. Consolidation of public finances, reduction of unemployment and a fair policy of income distribution are priorities for the Swedish Government. The large budget deficit in the mid-1990s necessitated spending cuts in a number of fields. To prevent undue suffering among particular groups, the Government emphasized that cost reductions are to be shared by all citizens. In conjunction with the cuts in expenditure, the budget process has been reformed to obtain better control over public spending.

327. In Canada, with zero deficits and even modest surpluses in the government budget, the restraints of the past several years have begun to pay off, providing fiscal flexibility to address social priorities. While the cutback in spending in many cases affected social programmes, the result has been to put government spending on a sustainable basis and to lay the foundation for careful and selective reinvestment in helping those most in need.

328. The wages bill of government employees has absorbed a large share of government expenditure on social services in both developed and developing countries. It was recognized that reduction of excessive public sector employment is more durable as a means of lowering the public sector wages bill than wage restraint, and that might improve the fiscal position of Government to release funds for priority social programmes. However, in both the short and medium terms, other costs have risen as many Governments have had to pay compensation to redundant public employees. The net result may have been positive or negative.

329. Many developing countries reported that despite economic difficulties they have tried to preserve and even increase social spending. During 1995-1998, the Government of Mali allocated on average 23 per cent of its budget to the social sectors; allocations for essential social services rose from 12 to 13 per cent. The Government of Zambia has spent on average over 35 per cent of its budget on social sectors since the Summit, and increased allocations to basic human needs from 6.7 per cent of the total budget in 1995 to 12 per cent in 1996. The Governments of Zambia and Mozambique underscored the measures they have taken to increase transparency in budget preparation.

330. During 1995-1997, the Government of the Philippines increased government expenditure on basic

social services from 15.7 per cent to 16.4 per cent of total expenditure, but found it impossible to sustain that level after the financial crisis. Those developing countries, in which the proportion of allocations to social development in total budgetary expenditure was higher than average, included Barbados during 1995-1999, when more than 45 per cent of the government budget was spent on education, health (including reproductive health services), community amenities, water and environmental sanitation; Bolivia during 1995-1998, when the share of social expenditure in GNP increased from 9 to 13 per cent and the share of social spending in the government budget rose from 36 per cent to 47 per cent; and Colombia during 1990-1997, when the share of social expenditure in GDP almost doubled to reach 15 per cent.

331. In Japan and Singapore, resource allocation for education and large-scale public investment in human capital formation has received a high priority. Social development policy in these countries is characterized by sustained efforts to combine financial prudence with the concentration of public spending on services with the highest social returns.

332. Faced with ageing populations, changing family patterns, urbanization and persistent unemployment in many developed market economies, their Governments reported allocating increasing parts of their budgets to social protection, in particular social security. Unemployment benefits and active labour market policies claim significant shares, which varied among countries.

333. Basic principles of social policy in each nation marked their imprint upon social spending. The Governments of the Nordic countries, in their reports, underscored the universal nature of welfare policies. In Finland, basic income security rights were incorporated into the Constitution in 1995. Redistribution of income through relatively high progressive income taxes and sizeable income transfers from one population group to another mark the characteristics of social policy in Finland. In Sweden, the importance of universal access to social services is emphasized, while underscoring that more welfare expenditure can no longer be paid for with borrowed money.

334. Basic education and primary health care are important components of social budgets. The Governments of the Gambia, Ethiopia and Mali indicated that spending on basic education is an obvious priority since those countries are yet to achieve near-universal enrolment at primary and lower secondary levels. Resources spent on basic services (basic education and primary health care) are often considered public or merit goods whose impact on poverty reduction and human development is direct.

335. It was recognized in several reports from Governments, especially in Africa and South Asia, that higher education is heavily subsidized while primary education is underfunded. Expenditure per student in higher education is many times that in primary education. In many countries in Africa, the share of higher education in total public spending on education is higher than in any other region of the world. These inefficiencies are magnified, as resource-thin Governments were unable to bear the increasing costs of expanding public education.

336. In health-care, funds are not always directed towards efficient and necessary programmes, such as child-delivery services and preventive health care but end up being spent on expensive curative care.

337. The Governments of the Gambia and Nigeria reported on the problems of ensuring the right mix between capital and recurrent expenditure as Government budgets often fail to provide adequately for operations and maintenance.

Efficiency and effectiveness of resource use

338. The Governments of Australia, Canada, Denmark, Finland, Germany and Sweden reported that although publicly funded social services remain important to their social development policies, the search for increased efficiency in delivery of services is continuing. In Australia, the Government has decided to move from cash to accrual accounting in the public sector in order to develop more business-like reports and accounting practices.

339. Several Governments reported that the social development outcome may not necessarily depend on expenditure, and stressed the importance of efficiency in resources use. The Government of Ethiopia remarked that increase in resource allocation may not necessarily bring about the desired social benefit. The Government of Morocco underlined its efforts to improve efficiency of social budgeting in order to make access to health care and other social services less unequal. The Government of Canada emphasized efforts made at the provincial level to allocate

resources in a better way and restructure services to be more cost-effective. However, few Governments reported evaluations of spending on various programmes. Effectiveness of government expenditure for social development was reduced by excessively long and cumbersome execution procedures, weaknesses in monitoring and audit practices as well as lack of clarity in defining objectives in sectoral development programmes.

340. The Governments of several developing countries reported their efforts to enhance the effectiveness of delivery systems, while overcoming problems of unequal access to social services. In Madagascar, despite civil service reforms a freeze on recruitment to the civil services and the lack of human resources hampered the Government's desire to provide basic services.

341. Efficiency in the provision of health services is an area of concern in many countries. In some countries, prices for a wide array of services are regulated and compliance monitored closely. Monitoring requires an elaborate system of information, often missing in developing countries. Even when there is information, there are leakages and providers tend to either push up the reported volume of services provided or raise the price and volume of uncovered services.

342. An alternative approach to containing costs is to intervene on the demand side. In Singapore, a part of an individual's compulsory savings in the Central Provident Fund is earmarked as a medical savings account, out of which that person can pay for health-care costs. The scheme spreads health-care costs of an individual over his lifetime but does not pool risks across individuals. Subsidized medical care is provided for the poor.

343. In many countries, compulsory health insurance legislation is being considered. In 1997, the Government of Lithuania enacted a compulsory health insurance system. To pay for health-care services, the Government of Colombia has mandated that a percentage of the national budget be spent on health and health insurance. That percentage has been progressively raised since 1995. In Australia, the Government has implemented a number of incentives to encourage individuals to take out private health insurance. Incentives for so doing include a 30-per-cent rebate on private health insurance and a lifetime health coverage policy.

3. Conclusions

344. Governments reported on a variety of national arrangements for resourcing social development. In most instances, the Government is the principal source. The contribution of the private sector is of varying significance among countries. Non-governmental organizations and the community at large also contributed resources for social development. Several Governments reported the value of contributions in kind for capital projects in education.

345. Some social services are viewed as being in the nature of public goods and are paid for out of government revenue. Primary education and health care are prominent among these. However, these are not the only publicly financed services paid for out of public funds. When higher education and sophisticated curative health services are paid for out of public funds, there can be adverse effects on both efficiency and equity. More services are sometimes provided than were strictly necessary, and those with higher levels of income receive implicit transfers from those in lower levels of income. User fees have been tried out in several countries as a means of reducing the demand for unnecessary services. In some instances, adverse equity consequences have been encountered: the poor are denied services because they cannot afford to pay even low fees to cover a minor portion of total costs of those services. There are a variety of mechanisms through which costs of higher education and expensive health care can be recovered without adverse consequences for equity.

346. The allocation of resources for social development receives high priority in government policy in all countries whose Government reported on the matter. Many Governments reported scarcity of resources and problems of allocation among programmes, all of which were both important and urgent. In those circumstances, it is of the utmost importance to ensure that costs be minimized and the effectiveness of expenditure maintained at a high level. Sophisticated budgeting and accounting techniques have been adopted in several countries. The cooperation of local governments and beneficiary communities have been found to be valuable in raising efficiency in the delivery of services. Different methods of paying for services have also been found to be effective in restraining costs, although some of those techniques have made unrealistic demands on market information in developing countries.

347. There is a great wealth of experience reported by Governments, and much could be learned from studying that rich source of information.

B. International efforts

1. Introduction

348. Several countries, mainly donors, addressed the issue of the role of international assistance in realizing the goals of the Copenhagen Declaration and Programme of Action. In general, it can be said that the Summit did succeed in increasing the attention given to social development in development cooperation. Poverty eradication through sustainable development was defined by many countries as the chief objective of international development assistance. Funding policies frequently make explicit provisions for investment in basic social services, especially education and health. Strategies to combat social exclusion, and to a lesser extent unemployment, form part of most donor-supported poverty eradication strategies. A significant proportion of the ODA of major donors is directed towards Africa and the least developed countries. There is widespread recognition that the debt burden faced by the most indebted countries is unsustainable and constitutes a major obstacle for social development, and this has been matched by new initiatives to address both the debt problem and social development, in some cases simultaneously. Although ODA levels fell from 0.35 per cent of the GDP of donor countries in the 1970s and 1980s and 0.33 per cent as late as 1992 to 0.23 per cent of GNP in 1998, commitment to ODA has generally been reaffirmed. That reaffirmation, however, has been accompanied by a perception not only among developing countries but also many donors and others that issues of international cooperation, official development assistance and new and additional resources have failed to break new ground and may indeed have lost ground.

2. Role of international assistance in promoting social development

349. The importance of international funding for social development was underlined by most countries, particularly developing countries. For example, Barbados attributes its early achievements in social development to a large extent to major international funding for domestic projects and programmes and later setbacks to its inability to access concessional loans. Trinidad and Tobago indicated that even with a low implementation rate for social infrastructure development, grants and loans from the Inter-American Development Bank (IDB), the World Bank, the European Union and the UNDP helped the Government to meet several goals of social development. ODA is a major factor in Lesotho's overall development, contributing directly or indirectly to social objectives. Lesotho also underlined that international aid was crucial to the eradication of poverty. Cameroon and Gambia, among others, revealed that loans and grants constitute a significant proportion of the funds provided to social sectors. Cambodia stated that donor and NGO assistance focus mainly on social development, strengthening civil society and good governance. Mozambique pointed out that its national budget is highly dependent on external assistance for social goals. External sources fund close to 86 per cent of Madagascar's investment expenditures overall for basic social services, though it receives less ODA than other countries with a similar level of development. The same is true for Mauritania, with more than 90 per cent of its public investment programme financing in 1995, accounting for 22.6 per cent of its GDP, of external origin. Difficulties in mobilizing enough resources of their own as well as debt servicing are cited as the chief reasons for that dependence on external aid for development in general and social development in particular. China also accords priority to social development programmes in the utilization of international development assistance. Since 1995, over two thirds of all assistance received as grants-in-aid have been channelled to such areas as health, education, water supply, poverty alleviation and advancement of women, with many positive effects. Social development programmes also constitute a component of China's contribution to United Nations and other international organizations active in this sphere.

350. The decline in external assistance for one reason or another was reported to have impacted negatively on social development programmes in several developing countries. External assistance for Mauritania's public investment programmes fell from 90 per cent in 1995 to 81 per cent in 1998, directly affecting programmes for social development. Lesotho reported that external assistance, which accounted for 62.5 per cent of funding directed towards sectors critical to poverty reduction (such as transport, industry, natural resource development, human resource development and

energy), had declined since 1995, especially from multilateral donors and international NGO groups. A plan by Suriname to set up a social investment fund that could be used to guarantee bank loans for small entrepreneurs had to be put on hold because the projected external assistance to co-finance the fund was discontinued.

351. Some countries pointed out that the current classification of countries according to GNP and per capita income has affected the ability of some countries, particularly middle income countries, to access concessional finance. Barbados, which graduated from being a recipient of concessional loans when it reached the benchmark income per capita of US$ 2,910 per capita in 1991, encountered difficulties in obtaining funding through private financing owing to higher interest rates, shorter maturity periods and the limited attraction of private capital for social development projects that do not have a high rate of return. Panama pointed out that its classification as a "middle income" country on the basis of its per capita income masks disparities and inequalities among regions and population groups, and limits its ability to attract international donor assistance. Zambia stated that while debt service obligations are unaffected by any decline in foreign assistance, inability to fulfil any of the conditionalities accompanying aid for any reason affects budgetary allocations to social sectors.

352. In addition to developing countries, economies in transition too felt a need for alternative sources of financing, including financing from donor countries and international organizations and funds, to cushion the social impact of the transition from centrally planned to market-based economies and realize the goals of social development. The Russian Federation underlined that the obligation to provide international cooperation to countries with economies in transition as set out in the Copenhagen Declaration and Programme of Action need to be further developed. Uzbekistan expressed its conviction that a concerted effort on the part of the international community, notably the United Nations and its technical and specialized agencies, the World Bank, the International Monetary Fund (IMF) and other multilateral bodies working on social development issues, is needed if the overall objectives of poverty eradication, providing productive employment and social protection and strengthening social integration are to be achieved. The legitimate need for alternative sources of funding for transitional economies may have put added pressure on the already declining levels of ODA available for developing countries. Some European donors, notably Finland and Denmark, specifically mentioned assistance provided for economic and political transition in Central and Eastern Europe as part of their aid programmes.

3. Official development assistance

353. Concern over the overall decline in ODA is widespread and includes many traditional donors. Denmark pointed out that a trend in favour of a liberalized trade and investment regime that relied on attracting private investments rather than aid was a factor in the decline in ODA in the 1990s. It maintained that the question of ODA is fundamentally a question of global solidarity, and that the donor community has an obligation to honour the commitments entered into at the Summit and other high-level international gatherings of recent years and reverse the declining trend of ODA. ODA constitutes an important element in the creation of an enabling environment for social development for and in developing countries. International development cooperation and mobilization of necessary financial resources are thus seen as key elements of the contribution of developed countries to the follow-up to the Summit. The rationale for ODA is even more compelling in a market situation in which private investment flows are concentrated in a handful of major developing countries and in certain sectors. ODA therefore still has an essential role to play in helping the poorest countries and building up sectors that do not attract private flows: health, education, social protection and capacity-building, in general.

354. Some Governments have made significant efforts to increase ODA since the Summit. Ireland, with 8 per cent growth in GNP terms and 9 per cent growth in GDP terms, increased its ODA from 0.28 per cent in 1995 to 0.33 per cent in 1999 and stated its commitment to making further annual increases with the aim of achieving a target of 0.45 per cent of GNP by 2002. Denmark intends to maintain its policy of devoting 1 per cent of GNP to ODA. The Netherlands, which currently spends 0.8 per cent of GDP on aid, has incorporated two quantitative targets in its policy on international cooperation, allocating over the past few years 20 per cent of its ODA budget to basic social services and 4 per cent to activities in the field of

reproductive health. Specific funds have also been earmarked for activities contributing to the elimination of child labour. Finland has reaffirmed its commitment to reaching the target of 0.7 per cent, although its share of ODA declined from over 0.7 per cent in 1990 to 0.38 per cent in 1995 and 0.32 per cent in 1998. Portugal has also outlined a strategic guidance document, in which it has undertaken to allocate 0.36 per cent of GDP to development aid by the year 2000 and 0.7 per cent by the year 2006. France's ODA, at 0.41 per cent of GNP in 1998 (down from 0.64 per cent in 1994), was the highest as a proportion of GNP among the G-7 countries.

355. Mozambique felt that many government activities financed by foreign capital (including loans) come with conditions that often contradict Governments' objectives, strategies and priorities, the most significant of which is reversing the debt burden. Cuba saw a growing bilateralization of aid accompanied by increased conditionalities that do not reflect the most urgent needs of developing countries. Some countries, notably Ireland and Canada, underlined that the ODA they provide is principally in the form of untied grants. The Cologne summit of the G-8 countries also agreed to work within OECD on a recommendation to untie aid to the least developed countries. Some developing countries (e.g., Lesotho, Madagascar) attributed some of the decline in ODA since 1995 to capacity constraints within their own countries. Nevertheless, the feeling that developed countries must ensure that 0.7 per cent of their GNP is channelled to developing countries for development assistance and do more to fund and facilitate additional resources to help assist the development efforts of developing countries is strong (Malaysia, Jordan, Madagascar, among others).

4. Principles and priorities governing external aid for social development

356. In general, the priorities of development cooperation conform to the global agenda emanating from the United Nations conferences of the 1990s, with poverty eradication, the environment, health and population issues, the advancement of women, democracy and human rights, agriculture and food security and humanitarian assistance forming the core of development cooperation in the 1990s. Poverty eradication through sustainable development is seen for most donor countries (Australia, Austria, Belgium, Canada, Denmark, France, Ireland, the Netherlands, Portugal) as the main objective of development cooperation, cutting across other priority areas for ODA. Japan's international assistance is guided by a focus on "human security" and the principle of a new global partnership to address the issue of development incorporated in the OECD Development Assistance Committee (DAC) Development Partnership Strategy. Others also highlighted a "partnership approach". Ireland's approach to poverty reduction and basic human needs concentrates not just on the least developed countries but on poor regions within those countries, with an emphasis not only on consumption needs of poor people but also on their productive potential. Denmark and Finland, following the principle of responsibility for their own development, view aid as supporting the efforts of developing countries themselves.

357. Kuwait approaches development assistance on the principle of international solidarity, mutual interest, non-alignment and humanitarian considerations, covering or including such areas as industrial development, infrastructure, basic human needs, technological advancement, strengthening of the private sector, agriculture and food security and human capital formation. China emphasizes the value of knowledge of the national situation and the coordinated development of both the economy and society in enacting national policies and drawing up plans for social and economic development.

358. Belgium reflected the views of many donor countries in expressing support for the social development and poverty eradication objectives of the international financial institutions. It also supports a reorientation of those institutions away from large-scale development projects in infrastructure, transportation and energy in favour of smaller-scale social development programmes, and the linkage of concessional loans to good governance. However, some countries see expenditures in these two areas as complementary, underlining that investments in social development should be additional to but not at the expense of infrastructure development. Denmark put emphasis on providing a balanced contribution to the development process in the 20 programme countries where it is channellizing bilateral development assistance by contributing both to directly productive sectors, such as agriculture and fishery, and sectors embracing the development of human resources.

359. Some countries have restructured their aid policies since the Summit. The Netherlands Government reported that it has recently overhauled its aid policy to focus on a few countries on the basis of degree of poverty, the quality of country's social and economic policy and its quality of governance. Within this more reduced group of beneficiary countries, emphasis has been placed on a limited number of sectors. Priority has been attached to targeting aid towards the poor and the integration of the needs and interests of women, children and the elderly as part of the objective of combating social exclusion and promoting social integration. Danish aid policy follows similar lines. Initiatives taken by Japan as part of its development partnership strategy include the Second International Conference on African Development in Tokyo (TICAD-II) held in October 1998; seven countries have been prioritized under the strategy. Austria has set up a central office to monitor and coordinate the activities of the development department within the framework of the priority given to poverty eradication in its development cooperation.

360. In general, development assistance has been composed of bilateral aid programmes and multilateral funding through United Nations organizations and development financing institutions. Although few reports indicated the exact proportion of bilateral to multilateral aid, most allocate between one quarter and one third of their development cooperation budgets through multilateral bodies, notably the World Bank, UNDP, the ILO and the United Nations Children's Fund (UNICEF), among others. Some countries, notably France and Denmark, stressed their activities in support of social developments objectives through the ILO. The Democratic Republic of Congo felt that in view of its mission to eradicate poverty, UNDP should play a key role in coordinating and mobilizing external resources not only within the United Nations system but also from other sources. Denmark's plan of action on active multilateralism provides for increasing the proportion of resources allocated to the poorest countries for activities clearly oriented towards combating poverty, and the earmarking of part of its contribution towards social goals.

Poverty eradication and social integration

361. Denmark considered that the focus of social development for wealthy developed countries should first of all be on improving conditions and eradicating poverty in developing countries. While developing countries are the main actors in the fight to combat poverty, developed countries have an equal responsibility and interest in assisting developing countries in their effort. Strategies for poverty eradication advocated by donor countries through their development cooperation and ODA policies have increasingly sought to incorporate stakeholders' access to and control over means of production, and empowerment and civic participation, into the heart of poverty eradication strategies themselves. The 1996 Canadian International Development Agency (CIDA) policy on poverty reduction recognized that poverty is a complex phenomenon exacerbated in some countries by globalization, and seeks to address the root causes and structural factors producing poverty through a multilevel approach that includes policy interventions, poverty-focused programmes that provide income-generation opportunities, skills training and ways of meeting basic human needs, including basic social services for the poor, and targeted interventions that directly empower vulnerable groups like women, children, the landless and destitute.

362. Poverty reduction has been addressed through both direct and indirect initiatives and means. It is stated to be the prime goal of Denmark's development cooperation policy in the strategy for Danish development policy towards the year 2000. New guidelines formulated in May 1998 concretize the connection between general policy on poverty eradication and specific activities. A number of donor countries have prioritized investment in basic social services as a key element in poverty eradication strategies. CIDA programming in basic human needs and microfinance and microenterprise development programmes reflect the two sets of interventions within one strategy.

Basic social services

363. As a result of the Summit, earmarking of funds for basic social services has been formulated more explicitly in ODA policy. The Netherlands has allocated 20 per cent of its ODA budget for basic social services. Investments in the basic human needs programme account for the largest part (37 per cent) of CIDA's total ODA over the three years from 1995-1996 to 1997-1998. Ireland reported an increasing concentration in recent years on primary education, primary health care, small-scale water supply and

sanitation and microfinance, and a renewed emphasis on agriculture and village-level food and livelihood security.

364. Within basic social services, assistance has been most noticeably directed towards basic education and health. To illustrate, within Canada's bilateral aid programme, 24 per cent was allocated to primary health care, 21 per cent to basic education, 8 per cent to family planning and reproductive health care, 7 per cent to food and nutrition, 8 per cent to water and sanitation, 1 per cent to shelter, and 28 per cent to integrated basic human needs projects. In many programmes, the focus of basic education has been on education for girl children, with an emphasis on advocacy, mobilization training, curriculum, monitoring and motivation. Basic social services for all, especially the most disadvantaged, also play an important role in Finland's development cooperation through programmes in the fields of education, health, family planning and reproductive health, food security and the advancement of women.

Advancement of women

365. The advancement of women has, in general, been promoted through external aid programmes in two ways: first, by providing direct support to women's organizations, and second, by introducing gender mainstreaming in development cooperation. For example, between 1995-1996 and 1997-1998, CIDA spent approximately $198 million or over 4 per cent of total ODA on directly targeted gender equality initiatives in Africa and Asia, in addition to the support provided through other priority programmes. NGOs have played a particularly prominent role in aid strategies targeted towards objectives defined by the Beijing Platform for Action.

Employment

366. Employment generation has been a relatively less significant focus of ODA. To the extent that it has been reported, the emphasis has been on employment generation through funding for microcredit activities for small and medium businesses, especially for women. However, Danish development assistance addresses the issue of employment both in terms of providing for livelihoods and equal access to employment. At the macroeconomic level, this has been done through support for stabilization and structural adjustment programmes that contribute to growth and reform; at the infrastructure and institutional levels, it has been done through its contribution to increasing productivity in agriculture, development of financial services, vocational education and training and support for labour-market organizations; and at the level of individual enterprise, it has been done through a number of new bilateral and multilateral mechanisms aimed at making the business sectors in programme countries more robust, such as the private sector programme, the "techchange" programme, the business-to-business programme in South Africa, and mixed credits. A number of countries reported on their contribution to the goals of employment through the activities in support of ILO efforts to develop and safeguard core labour standards/rights.

367. Canada's microfinance and microenterprise development programmes have been used for private sector development but also for basic human needs, the integration of women in development, human rights, democracy and governance, the improvement of infrastructure services, and environmental sustainability. Canada also reported that in order to help develop an enabling environment for the promotion of economic self-sufficiency in rural areas of developing countries, CIDA is exploring ways to promote access and connectivity through information and communications technology by creating community access centres in countries that can provide rural people with access to means of communication. Ireland seeks to promote policies and practices that can expand trade opportunities for developing countries and increase their rates of economic growth as part of its aid strategy. Certain countries mentioned development assistance in labour-intensive public works as a tool for employment creation. Some reports suggest, sometimes more implicitly than explicitly, that ODA has perhaps had an insufficient impact on employment since it is largely used to fund capital rather than labour inputs into social development projects. The Philippines observed that utilization of ODA for basic social programmes in the Philippines has shown an unstable trend, evidently indicating donor preference for financing tertiary services and infrastructure-related projects.

External debt

368. For many developing countries, external debt is seen as a major obstacle to social development (Algeria, Cambodia, Cameroon, Democratic Republic of the Congo, Mozambique, Nigeria, Panama, Zambia). In particular, the liquidation of external debt is seen as a necessary condition for poverty eradication. According to Nigeria, the inability of the countries of sub-Saharan Africa to cope with the size and complexity of their external debts has made the external debt overhang one of the prime constraints to growth and development. The debt burden of Mauritania, for example, which rose steadily to 215 per cent of GDP in 1996, has seriously limited investment options. External debt, largely bilateral (86 per cent), accounted for 65 per cent of GDP in Cambodia. In 1997, Zambia's debt per capita stood at approximately US$ 700 compared to a GDP per capita of less than US$ 200. The stock of debt as a ratio of export earnings continues to rise.

369. The point was often made that debt servicing is possible for these countries only within the framework of a realistic, growth-oriented macroeconomic scenario, and debt relief is the only viable option. Developing countries generally welcomed the HIPC initiative but felt it could be widened to include more countries by reducing the high, arbitrary eligibility criteria. Mozambique was able to reduce constraints arising from debt to some extent through amortization of the foreign debt in 1997 and eligibility for debt relief under the HIPC initiative, enabling it to pursue investments in the social sector. For some countries, however (such as Cameroon), ineligibility for the HIPC initiative was seen as an obstacle to the management of their foreign debt. Some countries, like Madagascar, feel that development partners should establish, in agreement with the national authorities, a sustainable debt ratio capable of lowering government debt service obligations to less than 20 per cent of exports. Nigeria reported some success in evolving a new external debt management strategy over the last three years designed to stem the tide of rising debt stock and to reduce it. Key elements of the strategy include an examination of reasons for failure to pay back previous loans, a moratorium on external borrowing, a reduction in public sector participation in projects that the private sector can do better, cancellation of undrawn loan/credits and their replacement by locally sourced funds or with foreign direct investment, debt-equity swap and debt buy-back arrangements, and reconciliation of debt stock with creditors.

370. The HIPC initiative launched at the Lyon summit of industrialized countries in 1996 marked a significant breakthrough in the treatment of the debt problem for the most indebted poor countries by including, for the first time, debt relief by the international financial institutions whose share in the indebtedness of the poorest countries had increased over the years. The Paris Club creditors have also decided to increase the cancellation of the bilateral debt owed by the countries covered by the Lyon initiative to 80 per cent. Only five countries — Bolivia, Côte d'Ivoire, Guyana, Uganda and Mozambique — have benefited from debt relief as a result of this initiative since 1998. The G-8 summit at Cologne has announced a series of measures for debt relief for the poorest countries within the framework of the HIPC initiative, based on the principles of generosity, responsibility and equitable sharing of the additional effort in relation to cancelled debt, so as to ease the qualifications and criteria for debt relief under the initiative. The Paris Club has agreed to cancel up to 90 per cent of commercial debts and the entire ODA debt to poorest countries covered by the HIPC initiative. Ireland favours a more generous and flexible response towards the debt problem of developing countries, especially those covered by the HIPC initiative, and along with a number of other countries has undertaken comprehensive debt relief initiatives through contributions to the World Bank/IMF HIPC initiative and the IMF/Enhanced Structural Adjustment Facility (ESAF), as well as bilaterally (Mozambique and United Republic of Tanzania). Like other donors, Ireland has also called for social considerations and human development indicators to be an integral part of the initiative. Some countries (Belgium) are of the view that the debt problem of countries emerging from conflict or affected by natural disasters also needs priority attention. Kuwait has also taken initiatives in favour of debt relief for highly impoverished countries, scientific and technical assistance for developing countries free of restrictions, and a review of IMF conditionalities and terms.

371. Many donor countries underlined that ODA cannot substitute lack of effort on the part of developing countries to promote national and international developmental goals themselves. Rather, it supplements those who are already making an effort. Many donors similarly emphasized the importance of

the political will to embark upon necessary reforms and local ownership as a significant condition of more generous terms or aid or debt relief. Denmark regards reforms in the social sector as the main guideline for obtaining debt relief. France underlined that countries that adopt bold macroeconomic policies oriented towards sustainable and social development in the future would benefit first from the HIPC initiative. The Netherlands and Belgium advocate a stronger relationship between debt relief and direct measures to alleviate poverty within the context of sustainable development. While in favour of a flexible interpretation of the eligibility criteria for relief under the HIPC initiative, Belgium also proposes the setting up of a social development or poverty reduction fund in countries benefiting from the HIPC initiative to which savings due from debt servicing could be channelled. All structural adjustment programmes instituted by countries benefiting from the HIPC initiative would, under this proposal, be required to include one or more of the best practices being developed by the World Bank in order to ensure that the HIPC initiative contributes as fully as possible to the social development of poor countries. Uzbekistan shares the view that priority should be given to those countries that display the necessary political will and reforms and possess the necessary level of political and social stability, and proposed the setting up of a special fund under the United Nations to support and protect social programmes in countries that are carrying out radical economic, social and political reforms. However, implications of linking debt relief and/or ODA with performance for countries that for one reason or another (sometimes not for lack of effort) are not able to show comparable results have not been adequately explored.

Funding for social development: the 20/20 initiative

372. A number of countries, both developed and developing, commented on their experience in implementing, along with development partners, the 20/20 initiative. On the whole, the initiative is seen as providing a useful indicative benchmark that focuses attention and channels a significant component of foreign aid towards social development. Australia, Belgium, Canada, Denmark, Ireland and the Netherlands all reported expenditures on social development of over 30 per cent of their aid budgets. More than 50 per cent of Austria's budget for bilateral development projects is devoted to social development programmes in partner countries. However, some countries (e.g., Madagascar, Mali) pointed out that the success of the strategy depends on the ability of the receiving State to mobilize necessary and related resources, which is not always possible. Madagascar described how despite fiscal reforms, the ratio of income to expenditure has not significantly improved. Taxation options are seen as a hindrance to investors and market operators, and the level of domestic savings remains insignificant, fuelling demand for external financing. While Madagascar has achieved the goal of allocating 20 per cent of ODA to basic social services, it feels that in view of its weak investment rate of 7.6 per cent of GDP, that figure itself is relative. The 20/20 initiative also has to be seen against the background of declining ODA. An increase in the proportion of spending on the social sector under these circumstances does not by itself imply increased spending on basic social services. The Philippines questioned the interpretation by some donors of the 20/20 initiative as a country-level target only, pointing out that the original United Nations initiative states that 20 per cent of ODA is not meant to be applied at the level of each developing country but as a percentage of any donor country's ODA. The Philippines has called for agreement on a standard interpretation of numerical targets.

Africa and the least developed countries

373. In line with the commitment to accelerate the economic, social and human resource development of Africa, a major proportion of the external aid of major donors (Finland, Ireland, Canada) has been directed to Africa and the least developed countries. Special interventions in Africa have been in the areas of HIV/AIDS and debt relief measures. Sub-Saharan Africa is the main target of Ireland's ODA programme. Ireland reported that the proportion of Irish aid going to least developed countries is 66 per cent, as compared to 30 per cent for OECD/DAC countries as a whole. Most of Canada's spending on basic education (approximately $100 million since 1994) has gone to Africa. For historical, cultural and linguistic reasons, the five Portuguese-speaking African countries are the principal beneficiaries of Portugal's external aid programme. Portugal has also expressed clear support for the United Nations Special Initiative for Africa. Most bilateral French aid has, since 1997, been

concentrated in an "Area of Priority Solidarity", consisting mainly of sub-Saharan Africa.

Humanitarian assistance

374. A number of countries reported on the humanitarian assistance provided by them within the context of the follow-up to the Summit. Canada reported that it has spent over US$ 1.2 billion in providing humanitarian assistance and food aid in areas affected by conflicts and natural disasters, mainly through United Nations and other international organizations and Canadian NGOs, between 1995 and 1998. Ireland has taken a number of initiatives to respond to humanitarian emergencies on a bilateral level, through the European Union and through international humanitarian agencies. A rapid response register has been established, making available qualified and experienced people for immediate deployment to humanitarian emergency situations. In recognition of the importance of the linkages between emergency assistance and post-emergency rehabilitation, reconstruction and reconciliation, a separate budget was established in 1995 to allow for post-emergency support, typically in the sphere of social development, to support the creation of conditions which can lead to peaceful, stable and inclusive societies.

Economic sanctions

375. Countries affected by multilateral or unilateral economic sanctions (Cuba, Iraq, Libyan Arab Jamahiriya) reported on the negative effects of such sanctions on social development of their people. Iraq stated that sanctions have not only deprived Iraq of the full benefit of its natural resources and earnings from trade etc. but are also an obstacle to obtaining international aid and assistance. The Libyan Arab Jamahiriya stated that political will alone is not sufficient to fulfil the commitments made at the Summit. Domestic resources and international cooperation are also necessary. With regard to the flow of external resources for development, in particular ODA, Cuba reported that it has suffered the effects of the economic blockade imposed by the United States, especially with regard to access to multilateral sources of financing such as the World Bank, the Inter-American Development Bank and other regional sources.

Role of civil society and non-governmental organizations

376. The role of civil society in development cooperation is seen by several countries (Finland, Japan, Canada, Netherlands) as an important channel and agent for foreign assistance in support of social development. A significant proportion of funds for social development projects are being disbursed through NGOs based both in donor and receiving countries. Modalities vary, but NGO involvement tends to be strongest, as in the case of the Netherlands and Canada, in projects promoting social integration and participation, especially those promoting the advancement of women. The Netherlands has been developing specific policy memoranda with social integration as their core message and a special focus on empowerment (autonomy) of women for a number of target groups. Japan has expanded budgetary allocations as subsidies and as grant aid through NGOs, and also increased its coordination and consultation with them. Structured consultations with civil society organizations in Canada and abroad on poverty issues forms part of the CIDA policy of poverty reduction. The Netherlands has identified the quality and absorption capacity of Governments and NGOs in developing countries as one of several obstacles encountered by it in promoting social development in the developing world. In 1997-1998, Canada channelled 10 per cent of its basic human needs programmes through NGOs.

Democracy, human rights and good governance

377. Human rights and good governance also form a significant component of international aid for social development. Conceptions of cooperation in the sphere of human rights vary. In most cases, cooperation is directed towards programmes designed to strengthen the rule of law, the administration of justice, democratization and good governance. Canada reported that between 1995-1996 and 1997-1998, CIDA spent approximately 13 per cent ($638 million) of its total ODA in support of human rights, democracy and good governance. CIDA is also assisting civil society in developing countries to address the implications of the International Covenant on Economic, Social and Cultural Rights. Projects include improving judicial systems (Rwanda), support to civil society through local NGOs (Democratic Republic of the Congo, Nigeria, Sierra Leone), establishing more transparent

and fair election processes, and setting up national institutions/ombudsmen for human rights. NGOs and local and community organizations are given an important role in such programmes mostly in Africa and Latin America. However, some countries (e.g., China) are of the view that such "cooperation" masks confrontation, the politicization of human rights and interference in the internal affairs of developing countries.

International cooperation in the global economic context

378. Besides international aid and assistance, some countries underlined the role of international cooperation in matters affecting the global economy and finance and in development cooperation, either impacting favourably on social development and meeting the goals of the Summit or cushioning the negative impact of trends in the international economy. China revealed that a favourable balance of payment status ($145 billion by the end of 1998) has enabled it to cooperate with the outside world in resisting the impact of the financial turbulence affecting Asia, preventing its further spread by maintaining the exchange rate of the yuan renminbi and indirectly safeguarding a favourable environment for social development. Singapore too emphasized the importance of international cooperation to stabilize the world economy so that crises like the Asian crisis that set back social development in the region could be prevented. Finland and Portugal stated that one of the objectives of their development cooperation programme is to assist in the integration of developing countries into the world economy and the international trading system by supporting efforts to reform and liberalize economic policies. They are also in favour of greater attention to trade issues of importance to developing countries, especially least developed countries, in World Trade Organization (WTO) meetings. Increased access to the market of the European Union for products from developing countries and extension of access enjoyed by African, Pacific and Pacific (ACP) countries to products from all least developed countries is advocated by some countries within the European Union. Denmark stressed that if increased market access is to be beneficial to the developing countries it has to be accompanied by technical assistance in order to enable these countries to exploit the new possibilities.

Conclusion

379. The analysis contained in part one of the present report is based on the extent to which international assistance is covered in the reports received and is not exhaustive. Nevertheless, certain conclusions can be drawn.

380. While the commitment to official development assistance has been reaffirmed, only a handful of countries have taken concrete steps to reverse this trend or adopted timetables to fulfil the agreed target of 0.7 per cent of GNP as ODA. Efforts to fulfil the target by the biggest and wealthiest of the G-8 countries could make the biggest difference in stimulating an enabling external environment for social development.

381. At the same time, the linkage of ODA or debt relief with results could run the risk of excluding and marginalizing those countries that for one reason or another are unable to achieve the necessary threshold to qualify for such assistance or relief, thus defeating one of the goals set by the Summit to accelerate the development of Africa and the least developed countries in particular and their integration into the global economy.

382. The relationship between direct and indirect measures to address poverty in developing countries, the relative role of immediate measures to ameliorate poverty, such as employment generation and fair remuneration for goods and services by the market and more medium-term measures, such as primary education and basic health, and the right balance between investments in infrastructure and in the social sector are all areas that require further consideration.

383. The 20/20 initiative has contributed to the better earmarking of funds for social development but deserves to be seen more from the perspective of the efforts of the receiving partner country than as a donor initiative as it has tended to be projected or seen until now. The difficulties faced by some countries in raising or reallocating domestic resources could, if too strong a linkage is made, affect even the quantum of resources invested in the social sector, for which some countries have depended heavily on external assistance.

384. The HIPC initiative and trade-access related initiatives for Africa and the least developed countries have the potential for making a significant breakthrough for the debt problem of many of the poorest heavily indebted countries, but many

developing countries have also felt the need for the initiatives to be broadened to include other categories as well. While initiatives for debt relief, aid, trade access and investments aimed at the poorest countries, some transitional economies and emerging markets have taken place, there are countries in between that continue to face an environment unfavourable to social development.

385. The role of development cooperation in augmenting the productive potential of people in developing countries and building the capacity of the private sector to compete more effectively in the global marketplace and the role of microcredit in generating employment, particularly for women, also needs to be more fully exploited.

386. Finally, greater attention to macroeconomic factors and policies and greater and differential trade access for developing countries could augment earnings and reduce dependence on aid in the longer term. In this connection, the idea of linking debt relief to earnings from exports by improving trade access could be considered.

VI. Capacity-building for social development

A. Introduction

387. Capacity-building is an important tool for development and social progress. It can be defined as a means to create a national political, socio-economic and legal environment conducive to reaching the commitments of the Summit. Based on that concept, the present sections provide an analysis of measures related to the establishment and strengthening of an institutional framework, as well as an appropriate government management system, aimed at identifying, implementing, monitoring and evaluating these strategies, policies and plans.

388. In the analysis of implementation of the Copenhagen Declaration and Programme of Action at the national level, it was found that Governments have not always made a distinction between the implementation of policies, plans and projects and the actual accomplishments resulting from their implementation. For example, many Governments reported that a comprehensive strategy or policy had been formulated without further elaborating on the results of any such plan.

389. Measures taken directly to reach the goals and commitments of the Copenhagen Declaration and the agenda for social development were discussed in sections I to III of the present report, and will therefore not be elaborated upon here. Instead, the present section focuses on narrative descriptions of some key features which were reported as having contributed significantly to the successful implementation of those goals.

390. A discussion is set out below of the following elements of capacity-building: (a) long-term strategies for social development; (b) assessments of institutional capacity; (c) action taken by legislature to create an enabling environment; (d) partnerships with civil society; (e) decentralization and local governance; (f) accountability and transparency (good governance); (g) implementation of policies and projects; (h) project monitoring; and (i) impact assessments and programme evaluation undertaken since 1995.

391. The institutional capacity of Governments to address social issues must begin with a review of long-term development goals and strategies. In order for these measures to be effective, a long-term vision and strategies for social development need also to be defined in a participatory way. By this principle, the Government is called upon to take all measures required to achieve social justice and to create and maintain social protection for all its citizens. Many countries have reported establishing such national long-term vision and strategies in preparation for but also in the adoption of the Copenhagen Declaration (see paras. 395-418 below).

392. From that beginning point, Governments need to be organized and equipped for the tasks ahead. A thorough assessment of available resources needs to be made. Improvements in those areas can be made subsequently. Examples are provided below (see paras. 419-428). Action by legislature to better address the issues at hand are a useful tool (see paras. 429-433 below). Partnerships with civil society organizations and their members, and decentralization and local governance are other important institutional arrangements that have been brought about as positive determinants for implementation of Summit goals (see paras. 434-448 below). Good governance and

accountability and transparency are important requisites for implementation (see paras. 449-451).

393. Successful programme management in social development requires a proper identification of priority areas and the implementation of policies and projects are necessary steps to reach that aim. Steps taken by member countries are described below (see paras. 452-455). Finally, reports of member countries on their efforts towards project monitoring activities, impact assessment and programme evaluation, which are all steps that complete the project planning cycle, are reviewed in paragraphs 456-465 below.

394. The plans, strategies and programmes reported by national Governments are discussed below by key commitment, i.e. poverty, employment and social integration. It should be noted that the findings presented here are based on official reports of Governments. The aim of the present review is to provide some insight in the various measures related to capacity-building that Governments have sought in their quest to implement the goals and commitments of the Summit.

B. Actions taken by Governments in capacity-building for the implementation of the goals of the Summit

1. Long-term vision and strategies for social development

395. At the national level, a long-term vision and action plan for social development is essential to successful national implementation of Summit recommendations. As discussed below, many countries reported a number of activities organized in direct response to the findings of the Summit that are aimed at finding, refining or formulation of such a common vision at the national level. These activities have been recorded in detail by the Secretary-General in his annual coverage of Summit follow-up.

396. It appears from national reporting five years after the adoption of the Copenhagen Declaration that although in many countries national action plans had already been identified and agreed upon separately, the Summit encouraged national debates on a more holistic approach to social development, integrating the three core issues of the Summit and adopting them towards the specific circumstances at the national level. This is illustrated by the selected country experiences set out below.

397. As a direct follow-up to the Summit, the Government of Sweden organized a large national conference in 1996, in which the goals and objectives of current social policies in the country were re-examined. Since in Sweden primary responsibility for the most important social issues rests with municipalities and county councils, their participation was crucial to its success. The point of departure of the conference was that although public finances should be brought into balance, public welfare should be maintained and developed. The conference served as a major landmark in the redirection of Swedish social policy.

398. In Japan, a liaison conference was held between the Government and NGOs in September 1996. That conference was a major impetus to the development of a national strategy on social development. Consultations on the implementation of different issues related to social integration are held twice annually.

399. In China, in March 1996 the People's Congress approved the ninth five-year plan for national economic and social development. Compared with the previous plans, that long-term development plan has an increased emphasis on social issues.

400. The Government of Iraq has made various endeavours in meeting the basic needs of society and individuals with respect to social welfare in keeping with the general objectives of the Summit. However, it reported that the efforts made have been thwarted by the economic blockade imposed on Iraq by the Security Council under its resolution 661 (1990).

401. Cuba reported difficulties in achieving the goals of the Summit as a result of changes in its external environment in the early 1990s. However, the country has maintained its capacity to formulate, implement and control the programmes for socio-economic and environmental development designed to guarantee compliance with all the commitments made at the Summit.

402. The Libyan Arab Jamahiriya has set up a national committee for social development to follow up the work of the Summit. Measures have been taken to set aside a proportion of oil revenues each year for distribution to families in financial need.

403. In Morocco, a national conference on employment was organized in November 1998 with the aim of creating agreement among the social actors concerning joint policies in favour of employment creation. It also sought from the social partners the commitment necessary to implement those joint solutions. It was reported that the agreed conclusions of this dialogue corresponded to the Summit: a joint economic policy would be developed creating a favourable environment for employment expansion; the adoption of a training policy; the improvement of the quality of work; and finally, improved possibilities for entering employment for disadvantaged groups. Morocco has embarked on a major social development strategy, of which the two most important components are a basic health-care programme and an extension of the provision of education throughout the country.

404. In the area of poverty, in China, an ambitious programme aimed at eradicating poverty has been set up and given high priority by the Government. The national programme for poverty relief will provide food and clothing for no less than 80 million poor in rural areas throughout the country.

405. In Panama, a programme entitled "New strategic focus against poverty: 1998-2003" was adopted in 1998, aimed at improving the efficiency of social expenditures to focus them on the neediest groups; encourage organized community participation; and implement adequate systems of monitoring, follow-up and evaluation of progress achieved.

406. In the Gambia, the Government formulated a major policy document in 1995 entitled "Vision 2020", accompanied by a policy framework paper serving to guide the implementation of an enhanced structural adjustment programme. The programme incorporates institutional reform as a major element to achieve this vision.

407. In Jamaica, the programme implementation strategy pursued has embraced the principles of partnership, inter-agency collaboration and community participation. The institutional arrangements consist essentially of a series of committees and a specialized administrative unit linking the public sector with NGOs, external funding agencies and communities at the national, parish and community levels. The partnership and community-based approaches to programme implementation have gained widespread popularity at all levels of society. There is agreement among the Government's policy makers that this approach to social development is undoubtedly one of the positive lessons learned in Jamaica's effort to date in implementing the Copenhagen commitments.

408. A national commission to prevent and combat poverty has been established in Romania, consisting of representatives of ministries, trade unions, businesses and civil society, with the objective of developing a methodology for defining and evaluating poverty; developing a national strategy on poverty; building institutional capacity for poverty reduction; and promoting the involvement of civil society in activities to prevent and combat poverty.

409. In the light of the large increase of people living in poverty in Ukraine, basic guidelines for a social policy between 1997 and 2000 were declared by Presidential decree No. 1166. Under the guidelines, targeted assistance at poor families is provided, e.g., through housing subsidies, and were further expanded in April 1999. Currently, some 4.5 million families receive State support.

410. Madagascar adopted a national strategy aimed at poverty alleviation in 1997. It also established a technical secretariat within the Government to oversee implementation of a number of projects and programmes to be carried out under the strategy.

411. In Bolivia, continuing poverty and renewed commitment encouraged the State to work together with civil society in organizing a national dialogue in 1997. As a result, the Government has implemented an operative plan of action that has been arranged into four pillars: opportunity, dignity, equality and institutionalization.

412. Following the Summit, Burkina Faso prepared a sustainable human development policy letter of intent. The purpose is to ensure that national development efforts focus on human security so that all the people of Burkina Faso may enjoy economic security (access to stable, gainful employment); health security (access to low-cost medical care covering both prevention and treatment); food security (access to basic nutrition, including safe drinking water); environmental security (preservation of a healthy environment); and personal and political security.

413. In Cambodia, a broad agenda, endorsing the commitments made at the Summit, was reflected in a number of the Government's medium-term socio-

economic development plans developed in 1996 and 1997.

414. For the transitional countries of Eastern Europe and Central Asia, the role of the Government as a provider of employment has been drastically reduced. Moreover, many of the market-driven reforms in the economies of those countries have led to sharp increases in unemployment. As reported by Armenia, Azerbaijan, Belarus, Croatia, Ukraine and others, policies to address these problems have been primarily aimed at mitigating the harshest negative effects of the transition; creating the capacity to track and monitor labour movements; providing legal protection to workers; (in most countries) developing and implementing new laws on legal minimum wages and non-monetary conditions of work; and assisting job seekers in finding employment through training and replacement programmes.

415. In its national action plan on employment, Austria has set itself the goal of reducing the unemployment rate to 3.5 per cent by the year 2002. A priority of the plan is to create a "society for all generations". These objectives also take into account future demographic changes, and are based on the consideration that high budget deficits do not constitute a sound basis for an active employment policy.

416. Employment policies in the countries of the European Union are increasingly being formulated by the member countries jointly. Four main lines of the EU's policy are to improve employability; to develop entrepreneurship; to encourage the adaptability of businesses and employees; and to strengthen policies for equal opportunities. The Government of Switzerland has a dual strategy aimed at reintegration of unemployed workers while at the same time providing a guaranteed minimum income for all. The Government of Sweden set targets in its 1999 budget for shares of the population between the ages of 20 and 64 in regular employment to increase from 74 per cent in 1997 to 80 per cent in 2004.

417. A national programme of action for the period 1996 to 2000 of Kuwait aims to, *inter alia*, increase the participation of national personnel in employment in the non-governmental sector, to improve occupational health and safety, and to sponsor research on new labour market needs.

418. A national action plan for policies regarding the elderly was adopted in Sweden in 1998. As a blueprint for the action plan, the United Nations Principles for Older Persons (General Assembly resolution 46/91, annex) were used.

2. Assessments and improvements of institutional capacity

419. Governments, government agencies, ministries and social service providers carry the prime responsibility for setting the strategies aimed at reducing poverty, expanding employment and facilitating a fair chance for all in society. These institutions are performing functions in response to a public mandate given to them, and they are therefore under constant pressure to invest in their skills and knowledge in order to respond to that pressure. This pressure can be exercised as a result of political processes by various factions in democracy and civil society; but it can also be called for by external forces (by an international commitment or by an international lending or donor agency). Institutional change in many of the countries discussed below appears to have come about as a result of pressure from a combination of these two sources.

420. The Netherlands, in its long-term strategy to improve welfare services, has been aiming at professionalizing and improving their quality. It is also supporting the development of social policies by local governments. In order to guarantee a minimum of service provision, the Government of Luxembourg has committed itself to ensuring that a ratio of one social worker per 1,500 people in the population will be maintained.

421. In Africa, Madagascar, Mauritania and Ethiopia initiated projects to improve the institutional capacity to address poverty. This was done through increased social research and management reform. In order to provide social services to people directly affected by poverty and inadequate resources by specialized institutions, in 1998 the Government of Lithuania launched a three-year programme to develop its social services infrastructure. The programme is aimed at the elderly, children and families with social problems, persons at risk of social exclusion and people with disabilities. It provides competitive grants to local and NGO social service projects on condition that they secure matching funds from local government or private sources.

422. Australia created a new federal agency, *Centrelink*, in July 1997, as a single point of delivery for government services, enabling significant improvements in the efficiency and effectiveness of service delivery by the Government. The public sector provides one national service for the registration of job seekers; administration of unemployment benefits; assessments of job seeker's eligibility for labour market assistance; referral of clients to assistance in the employment services market; and enforcement of compliance with conditions of assistance.

423. China has taken new measures to increase the institutional capacity to implement programmes and policies in follow-up to the Summit. In 1998, the State Council completed a major structural reform by strengthening the functional departments of the Government in the field of social development, and by establishing a new Ministry of Labour and Social Security.

424. In Barbados, a public sector reform programme has been launched, aimed at placing the public at the centre of the Government's operations through greater efficiency, responsiveness, effectiveness and competitiveness in the quality of services delivered by the public service. A customer charter programme has been implemented for agencies which interact on a daily basis with the public. In Ireland, a similar strategic management initiative has been launched to make public service more responsive to client needs.

425. As a way of improving services to implement and deliver the programmes budgeted to the general public, the Government of Bhutan has allocated funding in each of its sectoral programmes for human resources development, as part of a master plan aimed at improving the quality of government services.

426. Within the administration of Bolivia, a national council of social policies has been created, uniting six ministries in the social sectors. This body serves to define and approve policies and to recommend normative frameworks for the sector, assisted by a secretariat, responsible for carrying out technical evaluations of the proposals. In Jordan, a number of ministries and institutions working for social development have been seeking to enhance their institutional capacity through a variety of programmes, which have had a great impact on supporting and strengthening the social policies of Government.

427. In Singapore, the National Council of Social Services, set up in the early 1990s, has a mission to complement government efforts in meeting social welfare needs through the development, promotion and improvement of voluntary welfare services and volunteerism. It serves as a communication channel for voluntary organizations in society and the Government, and has close links with the Ministry of Community Development.

428. Institutional capacity to deliver basic social services has been under serious pressure in the countries in transition in Eastern Europe and Central Asia. Armenia has reported a sharp decline in the ability of the Government to deliver the proper health and education services to its population. This situation has led to various reforms in both the health and education sectors aimed at diversifying the sources of funding away from the public sector; the decentralization of the finance and management of hospitals and schools; the introduction of information and management systems, and the review and updating of educational standards and curricula.

3. Action by legislature

429. Legislative authority is the basis of any government action in social development, but it is increasingly being recognized as an indispensable means to promote and improve services by Government. A large number of countries have therefore taken legislative measures to increase their institutional capacities to address the issues of the Summit.

430. For example, in the area of action taken by legislature to fight poverty, the Government of Portugal has set up a non-contributive social security payment and social integration programme addressed at individuals and families in an insecure financial situation and at risk of social exclusion. This programme includes the provision of a minimum guaranteed income, which includes both a cash allowance to meet basic needs, and a professional services programme aimed at reducing poverty and developing beneficiaries' financial autonomy.

431. In China, the Government has promulgated and implemented many new laws in the fields of labour, social security, education and public health, as well as laws to protect the legitimate rights and interests of women, the elderly, minors and people with

disabilities. These new laws have built an institutional framework for firmer government interventions in these areas.

432. Regional cooperation is taking place on the development of joint legislation on employment in some countries. With the adoption of the European Employment Pact in June 1999 by the member States of the European Union, coordinated employment strategies and structural reforms in the EU labour, goods and services markets, all earlier agreed upon, have been supplemented by macroeconomic discussions on wages and monetary, budgetary and financial policies aimed at employment creation and expansion. Also, in 1998, a European Committee for Social Cohesion was set up to develop a social cohesion strategy for the Council of Europe. Its activities include promotion of the Council's legal instruments, access to social rights (employment, social protection, health, housing and education), the design of social policies and the establishment of a programme for children.

433. In the area of social integration, in order to promote employment of disadvantaged groups, such as the elderly, youth, long-term unemployed and people with disabilities, some countries have reported the use of labour market policy instruments as incentives for employers. For example, the Governments of Germany and France provide tax incentives, wage subsidies and lower social security contributions to businesses hiring people from disadvantaged groups. In 1998, the Disability (Reintegration) Act came into force in the Netherlands, facilitating businesses in employing people with disabilities and protecting businesses from financial risks in so doing. Preventive and active measures have been taken in the Czech Republic, France, Germany, Kuwait, Sweden and Portugal against unjustified dismissal and to oblige employers to reserve a minimum number of jobs for persons with disabilities, among other measures. In Mozambique, the social action strategy has included the preparation and approval of a social action policy for disabled persons and for children.

4. Partnerships with civil society

434. Since the conclusion of the Summit, many countries have initiated national dialogues between representatives of the central Government, local authorities, trade unions, client organizations and churches and benefits organizations on effective ways of tackling poverty and preventing social exclusion.

435. For example, in Belgium, the poor are involved in community affairs and politics by the provision of subsidies to associations in which the poor speak for themselves, making social institutions more accessible for the poor and preventing social exclusion. In Argentina, the Government has addressed the continuing challenge of poverty through the provision of funding through local NGOs that provide assistance to the poor, particularly in remote areas where these organizations have a comparative advantage over the Government in providing social services.

436. In Germany, a common alliance for work, training and competitiveness, consisting of representatives of the Government, industry and trade unions, was established in 1998, and agreement was reached on joint principles and goals aimed at employment expansion. The Netherlands maintains a consensus model in which trade negotiations take place at a decentralized level. Employer organizations, trade unions and the Government meet twice annually and make informal and voluntary agreements on key labour issues, such as wages and compensation, productivity, employment creation, the combination of work and care responsibilities and other issues, thus achieving a balance between flexibility and security in labour relations. In Finland, tripartite income policy agreements were made in 1996 and 1998, with the Government actively pursuing a joint growth and employment strategy with its social partners. In Portugal, tripartite agreements made in 1996 are an essential element in the renewed assessment of national employment strategies, the reform of the labour market and the continuation of social security and fiscal systems. Similar discussions were reported by Trinidad and Tobago. Special initiatives aimed at preventing high levels of youth unemployment were reported by Germany, Finland, Sweden and Portugal.

437. Partnerships with civil society in order to promote social integration have also been reported. In Romania, a new law has been adopted to grant subsidies to social assistance agencies, provide financial support to NGOs in order to improve the quality of their social services and build social solidarity by promoting a partnership between the public administration and civil society. In the Syrian Arab Republic, a project is currently being implemented to develop institutes and establishments

for people with disabilities and to enable them to attain skills for gainful employment.

438. In the Czech Republic, apart from policies aimed at integration pursued by the Government, a number of interdepartmental bodies directly subordinate to the Government also contribute to implementing the conclusions of the Summit. One such body is the human rights board, a Government advisory body for questions concerning protection of human rights and basic freedom under the jurisdiction of the country. In Madagascar, representatives of civil society have become an increasingly influential force in the management of government matters and have begun to participate in various official bodies. In Uzbekistan, the right to establish non-governmental organizations was embedded in the Constitution.

439. In Spain, two innovative ways of enhancing the participation of civil society in decision-making for social development were reported. Through the signing of cooperation agreements between Government, autonomous communities and local entities, comprehensive social intervention projects have been initiated. Also, through the offer of assistance and subsidies for programmes using appropriations from the income tax budget, associations and foundations working for social development have been supported.

440. In Trinidad and Tobago, in order to broaden partnership of the Government a needs assessment study of NGOs and community-based organizations has been conducted. On the basis of this study and through the establishment of a community development fund, human and financial resources are provided for institutional strengthening of NGOs and community-based organizations. It is expected that at the end of this pilot project, participating agencies will have a clear mission, goals and objectives, as well as strong leadership and proper management systems in place, so as to facilitate their partnership with the Government in achieving the social development goals of the Summit.

441. Finally, Australia and Canada reported that new information technologies, such as the availability of the Internet, have enabled Government to offer new kinds of capacity for the delivery of information and services to civil society. Government bodies have set up interactive web sites, not only providing learning tools for the general public but also helping people to plan their own learning strategies and ways of obtaining the necessary financial resources.

5. Decentralization and local governance

442. Governments are increasingly aware of the fact that local authorities can be actively encouraged to develop their own plans to improve policy implementation for poverty alleviation, through regulation, information and extra funds. By doing so, central authorities enable local Governments to be directly responsive to the needs of the people.

443. In the Netherlands, many local authorities have now developed their own policies on poverty; since poverty is concentrated in the major cities, experience with urban policy is worth noting in this context. Expenditures by municipalities for income support policies have grown rapidly since 1995. By focusing on an integrated approach to the multifaceted aspects of major cities, policies on social integration have increasingly become a concern for local Government. In Germany, states carry responsibility for monitoring and assessing poverty. In Belgium, the Government has opted for a comprehensive, coordinated and integrated approach on poverty eradication on the regional level and an urban "incentive" policy on the local level through a social promotion fund. In Bolivia, within the context of decentralization and encouraging popular participation, the execution of policies and programmes has recently been mainly transferred to prefectures and municipalities. In order to improve their implementation, efforts have been undertaken to strengthen local capacities.

444. The establishment of a national agency for employment and vocational training in Romania has decentralized the decision-making process for job placement and retraining programmes. As a result, programmes are now carried out with providers of job creation services, including private companies, selected through bidding. A special package of measures is available for people laid off by the restructuring of public companies experiencing financial losses.

445. In Switzerland, regional employment offices have been established throughout the country to promote the reintegration of job seekers into the labour market; the integration of public services in employment areas; increasing the efficiency of the public employment service; the training of public employment service staff; better publicity for services offered by the public employment service; and increased efforts to combat abuse. In Japan, measures have been taken to support employment in regions where job opportunities are in

short supply through a law concerning the promotion of local employment development.

446. In Argentina, a comprehensive programme for the strengthening of civil society has taken up a set of activities that create the conditions for promoting initiative and participation by the people. The programme starts from the premise that all individuals possess knowledge on the basis of which they relate to others, such as the family, the community, groups, organizations and institutions. Based on this concept, the main activity of the programme consists of the qualification and training of community leaders and potential leaders. Over 6,000 community leaders have been trained in the past four years, benefiting nearly 4,000 communities throughout the country. In Ireland, county and city development boards, with a wide representation from local authorities, social partners, the community and voluntary organizations, have been introduced to better facilitate the efficient use of available financial and human resources to foster social integration.

447. The Government's role in enhancing support for the implementation of social policies has emphasized legal and institutional reforms in Zambia. Under the public sector reform programme, devolution of power to the district level is set at the heart of the country's decentralization effort. In addition, a parliamentary committee system is under review in order to monitor and assess achievements of government programmes. Burkina Faso reported a number of projects aimed at strengthening local communities, primarily for poverty alleviation and job creation. In Mali, within the framework of poverty eradication, local communities and communes are regarded as the backbone for greater citizen participation in activities and a heightened capacity to adapt and adjust these activities to their environment.

448. A major capacity-building exercise undertaken in Ethiopia is the capacity-building for sustainable human resource development and utilization programme, primarily aimed at the decentralization of basic social services to the regional level and encouragement of people's participation in the Government's programmes. One of the indicators of its success has been the extent to which regional and local government bodies are now able to implement programmes for which they have been given responsibility. It has been shown that whereas before the start of the programme regional authorities had been unable to manage one third of the national budget, they are now empowered to successfully administer about one half of it. In Lesotho, a local government act was passed in 1996 with the goal of realizing sustainable development under the control and management of the people, thus ensuring full participation of communities, better cooperation and development efforts, and fostering social integration. In Burundi, the decentralization of services and of the human, material and financial resources available to the Government has been part of the strengthening of the Government's institutional capacity.

6. Good governance, accountability and transparency

449. There has been a strong trend in recent years towards greater accountability for the results of public spending. The capability of institutions to meet the demands imposed upon them and to do so with a minimum expenditure of resources has been increasingly monitored. As beneficiaries of Government-initiated programmes and as taxpayers, citizens have been increasingly asking Governments to maintain proper standards in performing their functions, to be accountable and to be open in their actions.

450. In Finland, the Chancellor of Justice of the Council of State has a constitutionally guaranteed position as an independent overseer of legality as well as the highest prosecution authority in the country. The Chancellor can conduct inquiries on the basis of complaints made by the public. A parliamentary ombudsman oversees the administrative system, and other more specialized oversight agencies have also been established. Canada reported similar initiatives.

451. In Cambodia, a national programme to reform the administration has been devised to outline the strategies and operational modalities of endeavours to address problems encountered in improving the quality and management of the civil service. In Lesotho, a civil service reform programme has been implemented.

7. Implementation of policies and projects

452. Although at the core of institutional capacity-building, the ability to implement policies and projects is an often overlooked aspect of social policy-making. No measures can be effective without proper

implementation. Some examples of those projects are given below.

453. Germany has been undertaking a number of model projects aimed at the integration of people with disabilities into the world of work. Sweden, Switzerland, the Netherlands and Finland have undertaken to integrate foreign workers and their families into society, setting up social counselling services, language and vocational training centres for foreigners, and supporting initiatives aimed at improving relationship between cultural groups in local communities.

454. The Government of Sweden has developed a number of policies in line with the Convention on the Rights of the Child. It has also hosted an international congress against sexual exploitation of children and adopted a number of prevention policies. Also in Sweden, efforts have been made to publicize and support the United Nations Standard Rules on the Equalization of Opportunities for Persons with Disabilities (General Assembly resolution 48/96, annex). One measure in support of such has been to improve the accessibility of public buildings and the environment.

455. The Government of Finland has developed a number of initiatives to reduce segregation between poor and well-off people in Finnish society, for example through land use and city planning policies.

8. Project monitoring

456. Any national plan aimed towards poverty reduction, employment generation and social integration needs to have a component aimed at monitoring the progress achieved in implementing it. However, it should be noted that few countries have explicitly reported such activities in their national reports on implementation of the Summit, which suggests that project monitoring is a natural yet often overlooked component in the project planning cycle.

457. The Government is not always in the best position to monitor its own progress. In many countries, it is civil society organizations, particularly NGOs and community organizations, which by virtue of their independence and the fact that they often directly represent stakeholder groups are in the best position to objectively monitor results of Government programmes. The relatively limited reporting on national monitoring of Summit-related goals could then be explained by the fact that monitoring is often carried out by NGOs.

458. Japan has set up an institutional framework for interministerial cooperation as well as regular meetings with representatives of civil society in order to monitor the implementation of the national strategy for social development. These regular consultations are also being held at the local level.

459. In Canada, a main theme in the process of administrative reform has been to ensure the effectiveness of government measures. This policy shift has involved a strong emphasis on measuring results, on determining what government policies seem to reach their objective ("what works") and on applying best practices. This monitoring and evaluation role in Canada has been applied in, among other fields, the monitoring and evaluation of tripartite labour market agreements and the provision of public health services.

460. In order to effectively monitor progress achieved in addressing the poverty problem, an annual report on poverty and social exclusion has been published annually since 1995 by an independent commission in the Netherlands. Also, the Government of Germany annually compiles data on community development and social policy. In Ukraine, a presidential decree adopted in 1996 provides for the ongoing monitoring of activities carried out in implementation of the Summit; every six months, the relevant ministries and departments prepare and send to the Government reports on the implementation of this decree. In the Russian Federation, the monitoring of both poverty and employment indicators is being developed at the local and regional levels as part of an extensive nationwide system, using a uniform methodology of indicators jointly developed by the Ministry of Labour and Social Development and the State Committee for Statistics. In Kazakhstan, an automated database has also been created monitoring developments in the labour market.

461. In the Philippines, a multisectoral committee of Government and non-Government sectors was set up in 1996 to cover the monitoring of commitments made not only at the Summit but also at other international conferences held under the auspices of the United Nations in the mid-1990s on population and development, women's issues, shelter and human settlements. In Suriname, a long-term social development and poverty reduction strategy and action

plan has been developed for further expansion. To complement these efforts, a project on capacity-building for poverty measurement and monitoring has also been initiated.

462. Projects aimed at increasing participation in employment through training of the local workforce were reported by Kuwait and the United Arab Emirates.

9. Impact assessment and programme evaluation

463. As with project monitoring, not many countries have reported activities in the area of impact assessment and programme evaluation. This may be explained by the relatively short period that has elapsed since the adoption of the Copenhagen Declaration in 1995. Many countries that have started programmes, policies and projects since that time may by now only be in the third or fourth year of implementation. In part three of the present report, an attempt has been made to objectively assess the achievements made. Three possible formats in which such self-evaluation has taken place at the national level are reported below.

464. The Government of Sweden has conducted an evaluation of policies on the elderly adopted in 1992. The evaluation has demonstrated, among other results, that more home-based care was provided rather than hospital-based care. In Nepal, a national development action committee meets every four months to review progress made in the implementation of all development projects. At the ministerial level, similar review and evaluation bodies convene regularly.

465. In Malaysia, social impact assessment is an important part of the development planning and evaluation process, without which any negative impacts of the country's rapid industrialization and urbanization on communities cannot be measured. It is also an important mechanism for achieving sustainable development.

C. Conclusions

466. Section VI has sought to extract a number of experiences at the country level aimed at increasing the capacity of Governments and their agencies for implementing the goals of the Summit. It has done so by reviewing both institutional arrangements made by the reporting countries, as well as measures aimed at improving programme management at the national level. Under both these categories, the section highlighted some key actions taken. Some general conclusions drawn from each of those actions are set out below.

467. First, almost all countries that have responded to the Secretary-General's note verbale reported taking some form of measure aimed at improving institutional capacity for social development. These measures sometimes took the form of reorganizing ministerial functions, unifying all departments directly interacting with the general public in one agency. In other cases, they encompassed the creation of cooperation councils or bodies within Government. Improving information systems and training Government staff in various skills were also often questioned.

468. Second, action taken through legislation was cited often in strengthening the capacity to address social issues in government. From the examples cited in the text, however, it should be noted that legislation alone is not sufficient to effectively contribute to the capacity of government. Although it certainly supports the authority of government in undertaking action, other conditions need to be fulfilled in order to effectively establish social programmes and policies.

469. Third, one such other action is the seeking of active partnerships with civil society. The reports discussed provide strong evidence of a strong correlation between government's ability to effectively, smoothly and directly implement policies in society and its responsiveness to the actors in the society it serves. It should also be noted that most of those successful partnerships aimed at the three goals were established at local levels.

470. This leads to a fourth conclusion: effective local governance can be a valuable tool for good Government and effective capacity-building. The various experiences reviewed above have demonstrated that good results are achieved in any social development programme that has strong, institutionalized links to the local communities that it aims to serve.

471. Fifth, as demands for transparency, accountability and good practice directly call on Government to perform its tasks more efficiently and effectively, good governance has a direct impact on capacity-building. Good governance requires a strong civil society which is free and unobstructed in making fair and accurate assessments of Governments' performance, and by so

doing, can make a significant contribution to the implementation of social development goals.

472. In the area of programme management for the successful implementation of Summit goals, a further number of conclusions can be drawn from the text. The sixth conclusion is that the establishment of a long-term vision and strategy for social development should be the principal guideline for capacity-building, as it stipulates the goals and achievements to be reached with a set time-frame.

473. The seventh conclusion — the importance of proper and swift implementation of social development programmes, policies and projects — appears obvious. However, long-term visions do not always translate into immediate actions; although not mentioned above, some countries reported missing links between strategy and policy. Capacity-building measures should therefore ascertain that those visions are translated into action.

474. Finally, there is an unequivocal role of civil society organizations in monitoring, measuring and evaluating the progress of Government in achieving its social development objectives. As mentioned above, the independence of voters and civil society organizations and the fact that they are the major stakeholders in social development activities requires that these groups convey their findings to government in appropriate and open ways. Some of the mechanisms for doing so were discussed above.

Part Two
Regional and international cooperation for social development

VII. Multilateral implementation

A. Introduction

475. Part two of the present report provides a broad overview of regional and international cooperation for social development. Major regional and international initiatives reported include activities which are either explicitly related to the institutional mechanisms for follow-up of the Summit or, while not specifically making reference to the Copenhagen Declaration and Programme of Action, are nevertheless relevant to its fields of action. The report goes beyond highlighting major activities undertaken at the regional and international levels, many of which have been reported elsewhere (see A/AC.253/9/Add.1-10; E/CN.5/1999/4; and A/AC.253/7). The report also addresses the potential for increasing the scope and developing new modalities of cooperation to achieve the goals of the Summit as well as efforts to strengthen international institutional arrangements.

476. The report considers intergovernmental coordination and cooperation (involving the General Assembly, the Economic and Social Council, the Commission for Social Development and the Preparatory Committee on the Special Session) as well as cooperation involving the United Nations system as a whole, that is, the United Nations Secretariat, including its regional commissions, the United Nations funds and programmes and the specialized agencies and related organizations. New modalities of international cooperation are discussed, with a focus on areas of joint collaboration between different entities of the United Nations system, as well as areas where the Summit has been a catalyst for major new joint initiatives or for innovative mechanisms of collaboration.

B. Coordination and cooperation at the intergovernmental level

1. General Assembly

477. Each year since the holding of the Summit in March 1995, the General Assembly, based on annual reports submitted by the Secretary-General, has considered the item "Implementation of the outcome of the World Summit for Social Development". The General Assembly has also adopted resolutions which have reaffirmed the Summit's goals and guided the follow-up process. By its resolution 50/161, the Assembly decided to hold a special session in the year 2000 for an overall review and appraisal of the implementation of the outcome of the Summit, and to consider further actions and initiatives to achieve the commitments adopted at Copenhagen. In that resolution, the Assembly also called upon the Commission for Social Development to review and update its methods of work and to make recommendations on the composition of its membership and on the frequency of its sessions. Through its resolution 52/25, the Assembly established the Preparatory Committee for the Special Session to

consider and decide on the process to be followed to achieve the purpose of the special session. In its resolution 53/28, it welcomed the offer of the Government of Switzerland to convene the special session at the United Nations Office at Geneva and decided that the special session will be held there from 26 to 30 June 2000. The General Assembly also invited Governments to participate at the highest political level possible at the special session.

2. Economic and Social Council

478. At its substantive session of 1995, the Economic and Social Council launched a major initiative to develop a coherent and well coordinated response by the United Nations system to the global agenda emerging from the major conferences of the 1990s. The Council agreed that such a response must be built around an integrated set of themes and goals emanating from the outcome of these conferences. The Council adopted agreed conclusions on the subject, which provided a set of guidelines for developing a coordinated response at the intergovernmental and inter-agency levels.

479. At the coordination segment of its substantive session of 1996, the Council considered the theme "Coordination of the activities of the United Nations system for the eradication of poverty". It adopted agreed conclusions 1996/1 to improve the design and implementation of the United Nations activities in support of Government efforts for poverty eradication. In addition, the Council called for mainstreaming the gender perspective in the United Nations activities for poverty eradication.

480. At the high-level segment of its substantive session of 1997, the Council addressed the theme "Fostering an enabling environment for development: financial flows, including capital flows, investment and trade", and adopted agreed conclusions on the topic which provided a framework for international cooperation and national policies and the role of the United Nations system. This discussion set the stage for the high-level segment of the Council's substantive session of 1998, which was devoted to a ministerial debate on market access, and at which the Council adopted a ministerial communiqué calling for improved measures to address the negative effects of the volatility of international flows in the international trading system and improved market access for developing countries.

481. In May 1998, the Council devoted a special session to the integrated and coordinated follow-up to major international conferences and summits, as the first subject-oriented session of its kind. The session focused its discussions on six broad areas: cross-cutting issues; the coordination and management role of the Council, particularly vis-à-vis its functional commissions and the executive boards of the funds and programmes; inter-agency coordination; national and regional level follow-up; the development of a set of indicators; and monitoring. It adopted resolution 1998/44 in which it provided guidance to the United Nations system for better integrating its efforts to implement the outcome of major conferences. The Council also conducted a review of the functional commissions with specific responsibilities for the follow-up of major conferences and summits.

482. The theme for the high-level segment of the Council's substantive session of 1999 was "The role of employment and work in poverty eradication: the empowerment and advancement of women". The ministerial communiqué on this topic adopted at that session recommended actions in support of national efforts to eradicate poverty, with particular attention to employment creation and work and the empowerment and advancement of women. The Council also adopted resolution 1999/55, in which it addressed ways to enhance the integrated and coordinated follow-up to conferences and summits; the issue of basic indicators for assessing the implementation of conferences; and modalities of review by the Council in 2000 of progress made in the promotion of integrated and coordinated implementation and follow-up to major conferences and summits. In addition, the high-level portion of the operational segment discussed the theme of poverty eradication and capacity-building.

3. Commission for Social Development

483. The Commission for Social Development held its thirty-fourth session in April 1995, immediately after the World Summit for Social Development, and focused on the arrangements for the implementation and follow-up of the Copenhagen Declaration and Programme of Action. During this session, the Commission adopted a resolution on follow-up to the Summit, for consideration by the Economic and Social Council, which set in motion a review by the Council of the mandate, agenda and composition of the Commission.

484. Following resolutions by the Council and General Assembly in 1995, the Commission met in special session in May 1996 to review its mandate, terms of reference, the composition of its membership, the scope of its work and the frequency of its sessions, and elaborated a multi-year programme of work. The Commission further deliberated on strategies for the eradication of poverty, emphasizing three sub-themes: formulation of integrated strategies; meeting the basic needs of all; and promotion of self-reliance and community-based initiatives. It held three panel meetings of experts and a dialogue with the chairpersons of the Administrative Committee for Coordination (ACC) inter-agency task forces on the follow-up to major international conferences in the economic, social and related fields, on issues related to poverty eradication.

485. By its resolution 1996/7, the Economic and Social Council decided that the Commission for Social Development should have the primary responsibility for the follow-up to and review of the implementation of the Summit. It also decided to enlarge the Commission's membership from 32 to 46 and to hold its meetings on an annual basis. The Council also approved the work programme of the Commission for the years 1997-2000, with "Follow-up to the World Summit for Social Development" as its substantive theme. Accordingly, the Commission at its 1997, 1998 and 1999 sessions respectively took up the themes of "Productive employment and sustainable livelihoods", "Promoting social integration and participation of all people, including disadvantaged and vulnerable groups and persons" and "Social services for all".

486. The 1997 discussion on employment focused on: (a) the centrality of employment in policy formulation, including a broader recognition of work and employment; (b) improving access to productive resources and infrastructure; and (c) enhanced quality of work and employment. The discussion led to Commission resolution 35/2, in which the Commission outlined concrete actions and policies that could contribute to the expansion of productive employment. The agreed conclusions of the 1998 discussions contained a set of recommendations for promoting social integration through responsive government, full participation in society, non-discrimination, tolerance, equality and social justice; enhancing social protection, reducing vulnerability and enhancing employment opportunities for groups with specific needs; and violence, crime and the problem of illicit drugs as factors of social disintegration. Two workshops of independent international experts on the subjects of participation and social justice and reducing vulnerability were organized by the Secretariat in order to contribute to this discussion. Finally, to assist the Commission at its 1998 session, the Secretariat organized two workshops on independent international experts on the themes "Ensuring access to social services of under-served populations" and "Innovation in the delivery and financing of social services". At that session, the Director-General of UNESCO and the Executive Director of UNICEF made special presentations on the theme "Education for all".

487. With regard to the second priority theme of the 1998 session, "Initiation of overall review of the implementation of the outcome of the World Summit for Social Development", the Commission adopted resolution 37/3, in which it invited Governments to provide additional inputs, in particular proposals concerning possible further initiatives, to the Preparatory Committee for the Special Session.

4. Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives

488. The organizational session of the Preparatory Committee, convened from 19 to 22 May 1998, held a general debate on the preparations for the special session and two panel discussions on the implementation of the outcome of the Summit, one of which was with specific reference to the contribution of the United Nations system. It adopted decisions relating to the objectives of the special session; issues to be addressed at future sessions of the Committee; coordination with the Commission for Social Development; the role of the United Nations system; the mobilization of voluntary resources; the participation of non-governmental organizations; and arrangements for future sessions (see A/53/45).

489. At its first substantive session, held from 17 to 28 May 1999 and subsequently reconvened on 15 July 1999, the Committee conducted a preliminary review and appraisal of the implementation of the outcome of the Summit and considered further initiatives to attain Summit commitments. The Committee adopted decisions on arrangements for the special session; the title of the special session, accreditation and modalities

for the participation of non-governmental organizations; the role of the United Nations system; and further preparations for the special session. The decision on the role of the United Nations system contains 24 operative paragraphs, calling for a series of substantive reports to assist the Preparatory Committee at its second substantive session, scheduled for April 2000, in considering further action and initiatives. The Preparatory Committee also requested the Secretary-General to arrange for the convening of two inter-sessional, open-ended informal consultations of the Committee.

490. The first inter-sessional open-ended consultations were held from 30 August to 3 September 1999, at which the working draft text of the Chairman of the Committee on the proposed outcome of the special session was considered. The second inter-sessional, open-ended informal consultations will be held from 22 to 25 February 2000.

491. At a resumed session of the Preparatory Committee held on 21 September 1999, it adopted a decision (see A/54/45/Add.1) regarding accreditation of non-governmental organizations at the special session.

C. Cooperation within the United Nations system

1. Administrative Committee on Coordination

492. During the past few years, ACC has promoted an integrated and coordinated follow-up to major international conferences, including the Summit. Three ad hoc inter-agency task forces were established by ACC in October 1995: the Inter-Agency Task Force on Basic Social Services for All, chaired by UNFPA, the Inter-Agency Task Force on Employment and Sustainable Livelihoods, chaired by the ILO, and the Task Force on Enabling Environment for Economic and Social Development, chaired by the World Bank. These task forces were asked to guide and support the United Nations resident representatives and country-level teams to translate the outcome of conferences and summits into concrete national policies and programmes. In 1996, ACC also established the Inter-Agency Committee on Women and Gender Equality with the responsibility of addressing on a system-wide basis all aspects of the implementation of the Beijing Platform for Action and gender-related recommendations derived from other international conferences and summits.

493. The task forces have produced a variety of outputs on a broad range of policy issues, including a guidance note for coordinated follow-up at the country level, which have been widely disseminated to organizations, field representatives and the resident coordinators. Organizations of the United Nations system, including the Bretton Woods institutions, have also distributed the products, guidelines and country cases of the task forces. These organizations have also incorporated findings of the task forces into their work programmes. For example, the reform agenda of the World Bank reflects the outcomes of the task forces on such issues as poverty, social development, international development cooperation and governance.

494. With the completion of the assigned work of the task forces in 1998, the primary responsibility for coordinated follow-up to conferences and summits has been devolved to ACC and its machinery, especially the Consultative Committee on Programme and Operational Questions (CCPOQ). In September 1998, ACC adopted a second guidance note on the follow-up to major international conferences and summit, which was sent to all field representatives and all United Nations resident coordinators. CCPOQ indicated that it would continue to provide resident coordinators system with system-wide guidance on the integrated follow-up to conferences, would conduct a yearly analysis of the annual reports of the resident coordinators and would assess the implementation and usefulness of the outputs of the three task forces.

2. United Nations

United Nations Headquarters

495. Within the Department of Economic and Social Affairs, the Division for Social Policy and Development serves as the focal point for the follow-up to the Summit and the preparatory process for the special session. The Division is also the focal point for the preparations for the United Nations Decade for the Eradication of Poverty (1997-2006).

496. In this framework, the main activities of the Division include encouraging, supporting and coordinating the implementation and follow-up to the Summit by Governments, civil society, the private sector, and organizations of the United Nations system.

The Division has undertaken a series of initiatives for the follow-up to the Summit as well as for the preparation for the special session, which include organizing and co-sponsoring expert group meetings, seminars and workshops; encouraging and evaluating national reporting; supporting research projects; monitoring and assessing national and global trends; commissioning background documents on issues relevant for the special session; and working with non-governmental organizations and other representatives of the civil society.

497. Between 1995 and 1999, the Division organized expert meetings, symposiums and workshops on the following themes: "Involvement of civil society" (Mohonk, New York, June 1995); "Participation and social justice" (London, October 1997); "Ways and means to enhance social protection and reduce vulnerability" (United Nations Headquarters, November 1997); "Innovations in the delivery and financing of social services" (United Nations Headquarters, October 1998); "Ensuring access to social services of under-served populations" (Bangkok, November 1998); "Globalization and employment" (United Nations Headquarters, September 1999); "State, markets and social progress: role and cooperation of public and private sectors" (Beijing, October 1999); "Social expenditure and resources mobilization policies in countries with economies in transition" (United Nations Headquarters, October 1999); "Socio-economic development in countries with economies in transition" (Ashgabat, Turkmenistan, November 1999). In addition, a seminar on the theme "Values and market economies" will be held in Paris in January 2000. Seminars and workshops on themes related to the Summit and the special session were also organized at Headquarters, jointly with organizations of the United Nations system, including the ILO, WHO, the World Bank and IMF, as well as non-governmental organizations and academic circles.

Regional commissions

498. Commitment 10 of the Copenhagen Declaration calls for the regional commissions to participate in a spirit of strengthened cooperation for social development at the national, regional and subregional levels. The regional commissions were invited to assist countries in taking appropriate measures and adopting mechanisms for implementing and monitoring the outcome of the Summit. They were also called to convene, in cooperation with regional intergovernmental organizations and banks and on a biennial basis, meetings at a high political level to evaluate progress made towards implementing the goals of the Summit and exchange views on their respective experiences. In response to the Summit's call for increased cooperation at all levels, the regional commissions have been expected to play a major role in supporting the implementation of the Copenhagen Declaration and Programme of Action, in particular to assist developing countries, Africa and the least developed countries and countries with economies in transition. Such support includes, *inter alia*, the mobilization of resources, the orientation of structural adjustment programmes towards social development, as well as South-South cooperation, the development of knowledge and indicators on the implementation of the Summit and the involvement of civil society at the regional level.

Economic Commission for Africa

499. As an integral part of the follow-up to the Summit, the Economic Commission for Africa (ECA) has put emphasis on social policy and poverty analysis in its programme orientation. ECA has been promoting dialogue with member States on equity and growth implications of macroeconomic polices, investigating the linkages between poverty, gender, ethnicity; making public expenditure pro-poor in Africa; and building capacity for poverty analysis and monitoring. To this end, ECA has conducted a number of analytical studies on the main factors hindering economic growth; research in poverty profiles; the relationship between education and poverty reduction; poverty, income distribution and labour markets in sub-Saharan Africa; and the development of appropriate indicators, including poverty lines and maps. The ECA *Economic Report of Africa 1999: The Challenges of Poverty Reduction and Sustainability* develops a set of indices to evaluate sustainability based on social and economic performance, including progress towards the goal of halving poverty by 2015.

500. In 1999, ECA convened three Summit follow-up conferences at the subregional level, for East and Southern Africa at Nairobi, from 15 to 17 March, for North Africa at Marrakesh from 23 to 25 March, and a conference for Western and Central Africa at Ouagadougou from 28 to 30 September. These meetings were aimed at monitoring progress in the

implementation of the Summit outcome, with special emphasis on assessing progress in public spending on social sectors. Each of these meetings adopted declarations, such as the Ouagadougou Declaration, which made recommendations on structural economic reforms; strengthening dialogue and cooperation among all partners to reduce poverty; addressing economic inequalities; implementing policies for job creation; strengthening principles of good governance; and inviting development partners to support efforts to reduce poverty by half by 2015.

501. ECA also organized, in cooperation with UNICEF and the World Bank, a forum on cost-sharing in the social sectors of sub-Saharan Africa in June 1998 at Addis Ababa. The forum endorsed a set of principles under which cost-sharing could contribute to the financing of universal coverage and improving quality of social services. The principles include free provision of basic social services, formulating comprehensive strategies for the social sectors with the participation of all stakeholders, and protecting disadvantaged groups through safety-net provisions. Follow-up activities include policy analysis of African taxation systems, budgetary and aid allocations to basic social services and an evaluation of the impact of existing cost-sharing arrangements.

502. Within the framework of its technical assistance activities, two training workshops, focusing on "Poverty and public policy in Africa", were held at Addis Ababa in 1997 and at Johannesburg in 1998, in cooperation with the Economic Development Institute of the World Bank. The workshops produced training modules on poverty measurement, public expenditure and the poor, and income transfers. These poverty-training workshops were designed to strengthen the capacity of African countries to develop appropriate policies to alleviate poverty and reduce their dependence on external assistance for policy advice.

Economic Commission for Europe

503. As follow-up to the Summit, the Economic Commission for Europe (ECE) organized two workshops in 1996. The first workshop addressed managing the social consequences of structural change in countries with economies in transition, and the second, on poverty among ageing, was organized within the framework of the International Year for the Eradication of Poverty. In addition, the Government of Austria hosted an international expert meeting on innovative employment initiatives in the ECE region in February 1998, as a follow-up activity to the Summit.

504. The ECE programme for the development of small and medium-sized enterprises in countries with economies in transition helps create employment and can therefore be regarded as a major vehicle for combating poverty. Within the framework of this programme, ECE provides technical assistance in the development of national SMEs, formulates legislation to promote entrepreneurship, develops and disseminates statistical data and other information material and organizes workshops on SMEs.

505. In collaboration with UNDP, ECE provides assistance to the statistical offices of the countries with economies in transition in improving the methodology and data collection of demographic and social statistics. The Statistical Division of ECE organized a workshop on measuring poverty in 1999 in Lithuania as a part of a UNDP-funded project. ECE also participates in the joint project of the regional commissions on globalization and social safety nets, including their impact on poverty reduction among households. Whereas ECE does not see itself as having a mandate on social issues, its ongoing activities with regards to employment and safety nets, as well as population and ageing issues, clearly have direct social implications. Furthermore, social issues of poverty and exclusion are gaining increasing importance as they are integrally related to the region's economic policies. It is hoped therefore that ECE will strengthen its participation and contribution to the work of the special session.

Economic Commission for Latin America and the Caribbean

506. In the context of Summit follow-up, the Economic Commission for Latin America and the Caribbean (ECLAC) continued to focus its analytical work on overcoming poverty and social inequity. ECLAC has been conducting studies on important emerging issues, such as growth and social equity; the role of social policy; educational reform for development with social equity; and regional and world economic integration. The study *The Equity Gap: Latin America, the Caribbean and the Social Summit* analysed existing conditions of poverty, employment and social integration, and proposed additional guidelines on the implementation of Summit commitments. ECLAC convened the first regional

conference on follow-up to the World Summit for Social Development at Sao Paulo, Brazil, in April 1997, to review the progress and promote the implementation of the outcome of the Summit at the regional and subregional levels. With the adoption of the Sao Paulo Consensus, the Governments of Latin America and the Caribbean renewed their commitment to move forward in the realization of the goals set out at the Summit.

507. *The Social Panorama of Latin America 1997* presented the assessment of the most relevant aspects of social evolution in the region, with particular emphasis on equity. The 1998 edition of the *Social Panorama* analysed poverty trends in the region during the 1990s, changes in income distribution, employment, social spending and progress in achieving social equity. It also reviewed trends in employment and unemployment, the relationship between education spending and teachers salaries, the relationship between violence and lack of public security.

508. A ministerial meeting on poverty eradication was held at Port-of-Spain, Trinidad and Tobago, in 1996, and adopted the directional plan of action for poverty eradication in the Caribbean. Jointly with the Organization of American States (OAS) and the Chilean Ministry of Planning and Cooperation, ECLAC organized a workshop on the theme "Social institutional framework for overcoming poverty and for achieving equity" at Santiago in October 1997. The Caribbean subregional review of the World Summit for Social Development and status of older persons was held at Port-of-Spain in September 1999. That meeting provided an opportunity for Governments to share major policy and programme initiatives, best practices, and constraints to social development and the implementation of the Copenhagen Programme of Action, and to identify priority areas for further action. Social equity and public policy will be the central themes of ECLAC's next session, to be held at Mexico City in April 2000. That session will be a special regional conference to follow-up the Summit and will provide inputs for the special session.

509. In the area of technical cooperation, training activities have been provided through international courses and seminars organized by the Latin American Institute for Economic and Social Planning in local and regional development, public policy reforms and project management, benefiting professionals from the region and other developing countries. ECLAC has provided technical assistance to Member States, both in the collection of data for country reports and in support of Government initiatives to formulate national action plans for poverty eradication. National consultations have been held in a number of countries jointly with the Caribbean Development Bank to identify initiatives for poverty alleviation.

Economic and Social Commission for Asia and the Pacific

510. The Economic and Social Commission for Asian and the Pacific (ESCAP) has been paying attention to emerging challenges, particularly the causes, consequences and policy implications of the Asian economic and financial crisis, the social impact of the crisis; the challenges and opportunities of globalization and liberalization; and information technology and development; equity and growth. These analyses were published in the economic and social surveys of Asia and the Pacific 1998 and 1999, and suggested a wide range of actions needed at the national and regional levels. The major policy recommendations in the area of social development included enhanced budgetary allocations for social services; the establishment of a formal sector social fund; the targeting of measures related to employment creation; cash transfers; free or subsidized provision of essential goods, and services and credit facilities in the short term; the introduction of effective systems of unemployment insurance; and the revision of development strategies to minimize vulnerability to future crises.

511. As a follow-up to the Summit, ESCAP convened the Fifth Asian and Pacific Ministerial Conference on Social Development at Manila in November 1997, hosted by the Government of the Philippines. The Conference reviewed progress towards the goals and targets of the agenda for action on social development in the ESCAP region and the means of promoting the regional cooperation, in the context of the Copenhagen Programme of Action. The Manila Declaration on Accelerated Implementation of the Agenda for Action on Social Development in the ESCAP Region adopted by this Conference contains recommendations for achieving the interrelated goals eradicating poverty, expansion of employment and enhancement of social integration. In this regard, special focus has been given to integrated approach as well as to strengthening the role of non-governmental organizations and civil society in implementing ESCAP's social development

programmes and activities. From 1 to 5 November 1999, ESCAP organized a senior official's meeting on the agenda for action on social development in the ESCAP region at Bangkok. The meeting undertook a comprehensive review of the implementation of the regional social development agenda, with particular emphasis on the three core issues of the Summit. The regional perspective considered by that meeting included reports on regional support measures to the Summit provided by the respective United Nations agencies, including UNESCO, UNICEF, UNDP, the Food and Agriculture Organization of the United Nations (FAO), ILO, and WHO.

512. ESCAP prepared a comprehensive study entitled "Asia and the Pacific into the twenty-first century: prospects for social development" as the theme for its fifty-fourth session. This study reviewed the progress in the implementation of the Manila Declaration and the Copenhagen Declaration, and identified priority issues requiring further attention. In the field of technical cooperation, ESCAP has provided assistance to Governments in the region in the formulation of comprehensive and multisectoral policies and programmes aimed at the integration of vulnerable and disadvantaged groups, including the poor. It has convened national and regional seminars and training workshops on the implementation of the regional social development agenda, and has conducted studies towards strengthening national capacities and institutional support for programme implementation, particularly those targeting the poor and vulnerable groups. ESCAP also attaches importance to the dissemination of best practices experiences and setting up guidelines and norms. Efforts have included publications on effective modalities for government and NGO collaboration in social development activities, and projects to increase the accessibility and social integration of disabled people and older persons.

Economic and Social Commission for Western Asia

513. Within the context of follow-up to the Social Summit, Economic and Social Commission for Western Asia (ESCWA's) analytical work has focused on the following priority areas: the social impact of globalization with particular reference to the labour market and employment as well as on tools for alleviating poverty; the social and environmental impact of urbanization; the social and demographic impact of international migration; gender roles and partnership on the family, including youth; governance; and institutions of civil society.

514. Major developments in the region's social and economic fields were analysed in the *Survey of Economic and Social Developments in the ESCWA Region* for the year 1996-1997. In the area of poverty eradication, ESWCA activities comprise three related phases: measurement, characteristics and determinants of poverty; policies to eradicate poverty; and tools to eradicate poverty. In this context, a number of studies on the dimensions and characteristics of poverty in the region, have been undertaken. A meeting on improving the standards of living in the Arab Mashreq countries was organized at Cairo in November 1997 to outline future work in formulating policies and strategies to eradicate poverty in the region. As the outcome of this meeting, special attention was given to issues of poverty and youth, the role of income-generating activities in eradicating poverty, and improving the standard of living in local communities. During the third phase of ESCWA's work in poverty area, emphasis has been given to proposals of operational policies for poverty eradication in the region.

515. ESCWA adopted the issue of follow-up to global conferences, including the Summit, as the theme of the first meeting of its Committee on Social Development, which was held at Amman in March 1997. In addition, ESCWA organized a regional follow-up meeting to the Summit at Beirut in December 1998, jointly with the League of Arab States. The meeting emphasized exchange of experience; building of agreements among relevant organizations and bodies active at the regional level pertaining to social development issues; the development of national capacities and standardizing preparation of national reports; and the creation of working networks and enhancement of their role.

516. Special attention has been paid to building a gender-sensitive database in the areas of social and human development, women and development, social statistics and labour statistics, and this work will expand into developing indicators for monitoring and following up global conferences. An expert group meeting on the implications of the United Nations conferences for social statistics was organized at Beirut in December 1998. In the area of governance, the role of civil society organizations in the follow-up to the Summit was emphasized.

United Nations funds and programmes

United Nations Development Programme

517. UNDP has participated globally and regionally in the follow-up to the Summit, while maintaining its main focus at the country level on such areas as poverty eradication, sustainable livelihoods for the poor, advancement and empowerment of women, good governance and cooperation with civil society. At the policy level, UNDP has placed special emphasis on linking poverty eradication to equity, gender equality, and good governance, and on impact of globalization on poverty and resource distribution. The UNDP *Poverty Report 1998: Overcoming Human Poverty* looked at the progress made since the Summit in eradicating poverty, in particular how multidimensional approaches to poverty can translate into improved polices and programmes. These programmes address the whole range of factors that contribute to poverty and seek to generate opportunities for employment and sustainable livelihoods; empower women and men through access to assets and productive resources; increase food security; improve the availability and quality of basic social services; and enable people to participate in the development process.

518. Within the follow-up framework of the Summit, UNDP launched the Poverty Strategy Initiative, a multi-donor programme to assist countries in their efforts to fulfil the Summit commitments, by supporting the formulation of national strategies and plans of action to fight poverty. Funds were allocated to projects in over 100 countries, of which one third have already been completed. Most programme activities have focused on qualitative assessments and profiles of poverty and of specific poverty groups; household surveys and poverty maps; poverty reduction strategies and programmes; analyses of social spending and aid flows to basic services; national human development reports; capacity development for poverty eradication planning; and social mobilization. Furthermore, UNDP, with its network of field offices coordinating United Nations system activities at the country level, is well placed to contribute to efforts by Governments and civil society to put their national strategies and plans into action.

519. The involvement of UNDP with the second major Summit theme of employment has included participation in the ACC Inter-Agency Task Force on Employment and Sustainable Livelihoods. UNDP led two of the seven country reviews and presented a note on operationalizing the concept of sustainable livelihoods. As a third major theme, UNDP supported a project of the International Institute of Labour Studies on social exclusion, which analysed the key processes that contribute to the exclusion of people living in poverty from markets, assets, social services, entitlements and rights, and policies that are needed to prevent marginalization and promote social integration of excluded groups (see E/1998/45). UNDP's Office of Development Studies has also carried out extensive research and advocacy work on the theme of global public goods, an issue which has been reflected in preparations for the special session.

520. UNDP has also been actively involved in the implementation of the 20/20 initiative. The resources of the Poverty Strategy Initiative have been used to support the preparation and dissemination of social sector expenditure reviews in a number of African countries.

United Nations Volunteers

521. Volunteering is central to the process of social integration and participation. It channels much-needed support to vulnerable and disadvantaged population groups. The Copenhagen Declaration and Programme for Action call for a series of responses which, will together reinforce the means and capacities of people in a variety of social groups with special needs to participate in social and economic programmes. There are a range of actions which Governments can take to enhance the environment within which citizens are able to volunteer time to assist others. The International Year for Volunteers 2001 provides a unique occasion to take steps towards this end. To assist in the preparation of this report, an expert group meeting was held in November 1999. The United Nations Volunteers (UNV), as the focal point for the International Year of Volunteers in 2001, has been invited to report on the role of volunteering in the promotion of social development and to make proposals thereon to the Preparatory Committee as it considers further initiatives to propose to the General Assembly at the special session.

United Nations Environment Programme

522. United Nations Environment Programme (UNEP) work on natural resource and environmental management and food security is approached from the

perspective of poverty reduction, gender equity and equality, and broad-based participation in the development process, thereby linking up with central themes of the Summit. UNEP's major preoccupation in the follow-up process, for example through its participation in regional follow-up meetings organized by ECLAC and ESCAP, has been to foster an integrated approach to implementing the programmes of action of major United Nations conferences in the fields of social development and environment.

523. UNFPA, UNEP and the International Union for the Conservation of Nature (IUCN) jointly convened an international workshop on interlinkages between population, poverty and the environment, which was held in September 1999 at Gland, Switzerland. UNFPA and UNEP plan to further extend the cooperation in this area to provide information, analysis and assistance for policy development and programming. In collaboration with United Nations Centre for Regional Development (UNCRD), UNU, UNDP and the Department of Economic and Social Affairs of the United Nations Secretariat, a UNEP's policy paper entitled "Poverty, environmental management and regional development" was presented at a global forum on regional development policy held at Nagoya, Japan, in December 1998. The paper and the conference itself highlighted the importance of policies and tools for social development, at the local level, where interrelationships between environment, poverty, employment and social integration are most apparent. UNEP and UNCRD will cooperate in the area of poverty reduction and natural resource and environmental management in geographic regions at subnational levels. Recently, a pilot study was carried out on mapping selected human development indicators in West Africa based on geographic information systems. Finally, UNEP is working closely with other United Nations agencies in the implementation of the Special Initiative on Africa (see A/AC.253/9/Add.1).

United Nations Children's Fund

524. The Copenhagen Programme of Action endorsed the global goals for children and development set by the World Summit for Children. UNICEF's strategy for promoting universal access to basic social services is guided by the Convention on the Rights of the Child and the major goals agreed at the World Summit for Children. Within this framework, UNICEF is continuing to support primary health care, nutrition, basic education, water and sanitation, and child protection. To accelerate progress in these areas, UNICEF launched Programme Priorities 1998-2000, emphasizing four overarching goals: reducing death and illness among young children and preventing childhood disability; reducing maternal mortality, disabilities and illnesses; improving children's access to and quality of education; and reducing exploitation, abuse and harm of children. Periodic reviews of progress towards achieving these goals have taken place through regional ministerial consultations on children. The Bangkok Declaration (1998) and the Lima Accord (1998), for example, set clear strategies and focus to guide actions in the remaining years. The League of Arab States issued the Sana'a Declaration on accelerating progress towards these goals. The annual editions of UNICEF's *The Progress of Nations* monitor global advances towards reaching the above targets and help Governments, international organizations and non-governmental organizations to focus their priorities more effectively on vital issues affecting children. UNICEF, in cooperation with other partners, has supported countries not only with data-collection instruments of the highest standard but also with direct assistance in data analysis, policy advice and programmatic interventions.

525. UNICEF participated in the work of the ACC inter-agency task forces, and has been active within the United Nations Development Assistance Framework and in the preparation of country studies on financing basic social services in many countries (see paras. 563-580 below).

United Nations Population Fund

526. UNFPA chaired the ACC Inter-Agency Task Force on Basic Social Services, which included in its work such key cross-cutting dimensions as the selection and use of indicators; gender perspective; the mobilization of resources; the targeting of specific groups; and involvement of civil society. The major outputs of the Task Force were guidelines and indicators; a wall chart on basic social services for all; a report on lessons learned and best practices; an advocacy card; and a compendium of international commitments relevant to eradicating poverty and promoting social integration (see DP/FPA/1999/5). These outputs are designed to promoting integrated implementation of major United Nations conferences and summits. Resident coordinators are using the

guidelines issued by the Task Force, for example, to work with countries to render the 20/20 initiative operational.

World Food Programme

527. The World Food Programme (WFP) supports the commitments and Programme of Action of the Summit by focusing its operations on the poorest and marginalized areas of the world, particularly Africa. The WFP dual mandate of providing relief and development assistance places it in a key position to assist, in tandem with partners, in the transition from crisis to recovery and in promoting social integration in post-conflict situations, a theme currently under consideration by the Preparatory Committee for possible further initiatives. Extensive experience in protracted or complex emergency situations has demonstrated that traditional relief responses — treating a crisis as essentially an abnormal short-term event distinct from development — is often inadequate in addressing the real needs of people who are trying to stabilize and secure their livelihoods in a conflict situation. In 1998, WFP introduced new guidelines on protracted relief and recovery, which include, employment through food-for-work activities; support to restore production capacity and increase food production at the household level; supplemental nutrition programmes; market support through local purchase of food; private sector involvement in food transport and delivery; community-based activities, such as small enterprise development; enabling people to participate in education and skill training; the maintenance of an emergency response capability; and activities to reduce the impact of natural disasters during periods of conflict.

528. Women, as well as being prime beneficiaries of WFP assistance, are moreover invited to participate in decision-making about the use of WFP resources. Experience has demonstrated that direct food assistance to women has multiple benefits for household nutrition and food security, particularly for young children. School feeding programmes have also supported the goal endorsed by the Summit of education for all by improving school attendance, particularly for girls.

United Nations International Drug Control Programme

529. The Copenhagen Programme of Action calls for effective and environmentally sound national strategies to prevent or substantially reduce the cultivation of processing of crops used for the illegal drug trade, with particular attention to the creation of viable economic alternatives. Alternative development is therefore the main instrument used by the United Nations International Drug Control Programme (UNDCP) in its supply reduction strategy in several Asian and Latin American countries. UNDCP has provided advisory services and technical assistance to support Governments in their efforts to develop regional law enforcement information schemes, specific cross-border cooperation measures, strengthen land borders and seaports and improve in the implementation of measures to counter illicit trafficking of precursors. In order to promote the full integration of social groups involved in such activities, UNDCP has worked with the Centre for International Crime Prevention (CICP) to provide technical assistance to a number of requesting Governments in respect of rehabilitation programmes, the promotion of policies for humanizing criminal law, fostering prison reform and studying methods conducive to the integration of offenders into the community.

530. From 8 to 10 June 1998, the General Assembly held a special session devoted to the fight against illicit production, sale demand, traffic and distribution of narcotic drugs and psychotropic substances and related activities. At that special session, the Assembly adopted a political declaration, guiding principles for demand reduction and sectoral action plans. Specific five- and ten-year time-frames committed States to accomplishing certain goals or activities, such as adopting national money-laundering legislation and programmes by the year 2003, establishing 2003 as the target date for new and enhanced drug demand reduction strategies and programmes, achieving significant and measurable results in demand reduction by the year 2008, and eliminating or substantially reducing the illicit cultivation of the coca bush, cannabis plant and the opium poppy by the year 2008.

3. Specialized agencies and related organizations

International Labour Organization

531. In the Copenhagen Programme of Action, the ILO was given a special role in the field of employment and social development because of its mandate, tripartite structures and expertise. The ILO Governing Body started discussions on action to be taken to fulfil this mandate immediately after the Summit, and has since had various opportunities to discuss this issue, especially in its Committee on Employment and Social Policy. An informal tripartite meeting at the ministerial level was also organized during the ILO Conference in June 1995 in order to consider the ILO role in follow-up on the Summit.

532. The ILO chaired the ACC Task Force on Employment and Sustainable Livelihoods, one of the three task forces set up by ACC to follow up the Summit. This Task Force oversaw the implementation of six country employment policy reviews, which brought together national social partners and different agencies within the United Nations system to evaluate strategies and develop proposals for employment creation and social protection. As a result of this exercise, country employment policy reviews have now become an integral feature of the ILO means of action and technical advisory services to member States and social partners. Eleven additional reviews have been completed or are ongoing.

533. The Copenhagen Declaration has also guided action in the campaign launched by the ILO for the ratification of core labour standards. The adoption of the ILO Declaration on Fundamental Principles and Rights at Work by the International Labour Conference at its eighty-sixth session, in 1998, was a major step towards responding to the Summit's call for promoting and safeguarding the basic rights and interests of workers. The ILO has also mobilized resources and provided technical assistance for the elimination of child labour, through the International Programme on the Elimination of Child Labour. The adoption by the International Labour Conference in June 1999 of a new convention and its accompanying recommendation on the prohibition and immediate action for the elimination of the worst forms of child labour marks another milestone in implementing the Copenhagen commitments in the field of labour rights.

534. Since the Summit, the ILO has refocused its activities around four strategic objectives largely inspired by the Copenhagen Declaration and Programme of Action: employment; social protection; fundamental principles and rights and work; and social dialogue. In the spirit of the Summit, the ILO has furthermore entered into strategic dialogue on employment issues within the United Nations system and the Bretton Woods institutions. For example, following the financial crisis which erupted in East and South-East Asia in 1997, the ILO worked with the international community in mobilizing awareness of its social consequences and proposing new measures to develop systems of social protection and to ensure that social and economic policy is addressed in an integrated fashion. Furthermore, the ILO is working to strengthen its capacity to link policy advisory services with operational activities demonstrating how such policies can be put into practice. Strengthened areas of operational activity of particular relevance to the Summit include social protection for the informal sector; employment-intensive investment policies and infrastructure development; small and medium-sized enterprise development; training and skills development for the knowledge-based economy; local and urban employment initiatives; and the role of employment for social integration in conflict affected societies.

535. A series of ILO tripartite regional meetings were organized in 1999 to take stock of progress in implementing those commitments falling within the ILO mandate, particularly regarding commitment 3 on employment. Following these regional consultations, an international consultation on follow-up to the Summit was organized at ILO headquarters at Geneva in November 1999. This consultation considered a background report which outlined various proposed areas of possible further initiatives, including workers' skills and capabilities; job creation in small and medium-sized enterprises and the informal sector; labour market flexibility, employment protection and security; wage determination; employment-intensive public works; youth employment; target group programmes and monitoring the situation of vulnerable groups; and the reconciliation of work and family life. The international consultation called upon the ILO to develop, in collaboration with tripartite partners and United Nations system agencies, new operational initiatives to give better effect to the commitments of the Copenhagen Declaration and Programme of Action.

The meeting furthermore recommended that these activities be implemented in the framework of an employment strategy with global and national dimensions, and that the necessary resources be mobilized from both internal and extrabudgetary resources.

536. Following the recommendations of the consultation, the ILO is developing proposals for further action and initiatives to implement the Summit's commitments. These proposals are articulated against the background of globalization, highlight the centrality of the world of work at the intersection of markets and society, and recognize the interaction between social and economic, financial, trade, and development issues now being dealt with separately and in different bodies by the international community. The ILO proposals for further initiatives focus on action to promote the goal of decent work, meaning opportunities for women and men to obtain productive work, in conditions of freedom, equity, security and human dignity.

Food and Agriculture Organization of the United Nations

537. The complementarity of the objectives and activities of the World Food Summit Plan of Action and the World Summit for Social Development are rooted in the strong link between rural poverty, hunger and food security. In 1994, FAO launched the Special Programme on Food Security, which aims at helping the low-income, food deficit countries to improve their national food security through rapid increases of agricultural production and productivity in an environmentally sustainable and socially equitable way, particularly focusing on small farmers, who are often among the poorest segments of the population.

538. Other programmes are aimed at enhancing access to land and/or security of tenure, as well as development of infrastructure and basic social services, land improvement through irrigation, access to credit, marketing, processing and development of storage facilities. Expansion of employment opportunities through the promotion of labour-intensive rural projects is also pursued to tackle poverty.

539. The FAO plan of action for women in development responds to the follow-up to the World Food Summit as well as to the World Summit for Social Development by the design and implementation of gender-responsive policies and programmes that reduce or eliminate legislative, administrative and socio-economic obstacles to productive resources for rural women. To this end, FAO offers technical support services and policy advice to member States, covering a wide range of activities that seek to integrate gender concerns and perspectives in policy-making and planning activities.

United Nations Educational, Scientific and Cultural Organization

540. The Copenhagen Declaration specifically calls on UNESCO to give greater emphasis to the overriding goals of eradicating poverty, promoting full employment and productive employment and fostering social integration. Since the Summit, UNESCO has taken a number of measures to implement the principles and fulfil the commitments set out in the Copenhagen Declaration, in particular those outlined in commitment 6, which is especially relevant to UNESCO. Such actions have put emphasis on endogenous capacity-building and human resource development, through education at all levels; democratic and participatory governance; the incorporation of cultural factors in development strategies; and harnessing science and technology, including communication technologies, for development.

541. The 1990 milestone Conference on Meeting Basic Learning Needs, held at Jomtien, Thailand, adopted the concept of "Education for All" and focused attention of the world community on the urgent need to provide basic education for every child, youth and adult. The Education for All (EFA) 2000 assessment process, launched in 1998, will culminate in the year 2000 after two years of diagnosing the state of basic education in the world at the end of the 1990s, and the onset of a new century. The educational problems and prospects of each country will have been consolidated into a more aggregate regional picture on the occasion of six regional EFA conferences, taking place from December 1999 to January 2000. A global assessment will then be made at the Education for All Forum in 2000, which will map out efforts of the international community on planning future policy initiatives, encompassing the progress and challenges seen in early childhood education, primary education, learning achievement, literacy, essential skills and better living. The results of the Education for All Forum will be widely

disseminated in different languages to all Governments and communicated to the special session as well as to the special sessions of the General Assembly concerning other major world conferences.

542. UNESCO's Culture of Peace Project is promoting peace-building in post-conflict situations as well as in situations where preventive actions can avoid impending conflict. The importance of this programme in relation to social development is based on the fact that underdevelopment, poverty and social inequalities are sources of conflict, whereas development and peace are strongly interlinked.

543. Endogenous capacity-building through education and training provides the basis for developing productive human resources in the new knowledge-based society. Development will not be achieved until everybody has access to knowledge. UNESCO has developed innovative approaches to providing basic education in school, for example through a series of illustrated booklets. In the field of higher education UNESCO has established networks among universities and focused on the contribution of active participation and adult learning to social development. It also publishes biennially the *World Education Report*, which monitors and surveys the trends in education and draws on the work of UNESCO in the collection, analysing and dissemination of educational data.

544. Democratic governance, respect for human rights, tolerance and the freedom of the press are all essential factors in the regulation of tensions and therefore necessary for social development. UNESCO, therefore, is implementing programmes in support of the free flow of information in the world. Also, since authentic democratic governance is also the best way to eliminate discrimination and social exclusion and reinforce social cohesion, UNESCO has developed an important human rights, democracy and peace programme. It has been elaborating national educational policies and action plans to develop attitudes and values which promote responsibility, solidarity and strengthening civil society.

545. In order to achieve social development, all people must participate in a free and voluntary manner, especially the poor, unemployed, disabled, indigenous people, migrants and women. UNESCO supports such groups by providing education and training in the management of their own communities, financial resources and technical facilities. Participation is also linked to the accessibility and reach of communication and information facilities. UNESCO is active in the building and strengthening of communication and information capacities through several programmes.

546. Finally, cultural factors are also an integral part of a balanced development strategy. UNESCO is placing high priority on the safeguarding of the cultural heritage and indigenous knowledge of traditional cultures.

World Health Organization

547. The Copenhagen Declaration commits Member States to expediting efforts to achieve the goals of national Health for All strategies. In 1998, the World Health Assembly endorsed the new global health policy "Health for All in the Twenty-first Century", which aims to meet the major challenges in health during the next decades. By recognizing health's contribution to development, Health for All in the Twenty-first Century reflects the outcomes of the major United Nations conferences, including the World Summit for Social Development.

548. The goals of Health for All include an increase in life expectancy and in the quality of life for all; improved equity in health between and within countries; and access for all to sustainable health systems and services. Health for All includes strengthened support for four key values: human rights, equity, ethics and gender sensitivity. Time-bound global health targets have been set for health equity, survival (maternal mortality rates, child mortality rates); eradication and elimination of certain diseases; reversing global trends of major pandemics; improving access to water, sanitation, food and shelter; development and implementation of global and national surveillance systems; strengthening health information systems; and supporting research for health. Specific indicators will measure progress towards achievement of the targets. Regional and national targets are also envisaged within the framework of the global policy.

549. The increasing social inequities and the growth in the numbers of very poor people since the Summit have provoked the challenge of finding more effective ways to protect and promote the health of poor and vulnerable populations. Moreover, growing awareness that health can contribute to the achievements of broader development targets has revealed the need for

more research on how health makes its contribution to economic well-being and poverty reduction; to social development, including primary education and gender equality; and to environmental sustainability.

550. WHO is responding by putting in place a new strategy which explicitly tackles the linkages between health and human development. Its main elements are: integrating health objectives into development policy; strengthening public health approaches to reduce the health risks and deal with the health problems which disproportionately affect the poor; and ensuring that health systems serve the poor more effectively.

551. Through its participation in various forums WHO has advocated an integrated approach to development through which the health sector can contribute to poverty reduction strategies. For example, protecting and promoting the health of the poor can play an important role in promoting increasing worker productivity, social protection and employability.

552. The international consultation on follow-up to the Summit organized by WHO in November 1999, for example recognizing the importance of health in general as well as of safety and health in the workplace, called for future policies to promote full employment which incorporate specific provisions for protecting and improving health.

553. The highly skewed pattern of investment in health research around the world has prompted international action to attract more funding for research to fight major health problems of poor populations. This includes an initiative to forge better partnerships between international organizations and the private sector. For example, pharmaceutical companies have regarded the poor commercial prospects for development of some drugs, such as antimalarials, as a disincentive to research. In this context, when there is an obvious market failure, the creation of new research and development partnerships involving funds from various sources becomes an imperative. They represent a concrete step towards overcoming the worrisome global public health threats posed by communicable diseases and achieving such targets as reduction in malaria mortality and morbidity by at least 20 per cent compared to 1995 levels in at least 75 per cent of affected countries, as reiterated in the Copenhagen Programme of Action.

World Bank

554. With the impetus of the Summit, the World Bank has taken a course of organizational change that has focused its activities on poverty reduction and on renewed support for social development. The Bank's Executive Board has approved resources under its Strategic Compact Initiative to strengthen social analysis and participatory approaches to development work. In the Bank's macroeconomic work, poverty reduction has become a defining element of good policy. Greater attention is given to protecting the poor in the adjustment process through reform of public expenditures to devote more resources to basic social services; reducing distortions that particularly harm the poor; creating safety nets and other targeted programmes; assisting in developing poverty reduction policies; and encouraging poverty monitoring. The Bank's *2000/2001 World Development Report* will focus on poverty and will emphasize a number of aspects of social development, including empowerment of the poor by increasing their voice and participation in decision-making; managing the growth of inequalities; providing security against shock and for those left behind by rapid change; and creating opportunity for the poor by putting in place the conditions for sustainable economic expansion.

555. A social protection sector group has been established to bring together and expand the Bank's work with client countries on developing appropriate social safety nets, labour market programmes and social insurance schemes. The objectives and instruments of social protection are being developed under the rubric of social risk management, consisting of public measures intended to assist individuals, households and communities in managing income risks in order to reduce vulnerability and enhance equity.

556. In 1997, the social development family of the World Bank was created to assist in promoting socially sustainable development. Its activities have included (a) introducing social assessments as a process for incorporating social analysis and participation into operational work and socio-economic analysis; (b) addressing key social issues by country and region within the context of country assistance strategies; (c) fostering greater operational collaboration and dialogue with NGOs and civil society; (d) establishing a post-conflict unit to provide critical operational support and policy guidance to handle conflict-related issues; and (e) developing programmes which build on

indigenous culture to promote sustainable development. In addition, long-term research in social development has been expanded, including work on social capital and participation (for a number of other innovative initiatives in which the World Bank is working in collaboration with the United Nations system and IMF, see paras. 563-580 below).

International Monetary Fund

557. Following the Summit, IMF reported that it has further strengthened its approach to support the efforts of countries to accelerate social development and poverty eradication, and has sought to incorporate the major recommendation of United Nations global conferences into its policy activities. IMF policy advice and assistance to help countries establish macroeconomic stability and sustainable high growth is central to its support for social and human development. Increasing attention has been given to reforms aimed at achieving high quality growth which will contribute to rising living standards and poverty alleviation, in particular by improving the quality of fiscal adjustment, governance and labour market reform.

558. In its activities, IMF has also sought to improve the quality of public expenditure by advising Governments to shift resources away from unproductive outlays, such as growing military expenditure, to basic social services and targeted poverty alleviation programmes. Emphasis is placed on monitoring of social expenditure and social output indicators within the IMF surveillance activities and support for countries' adjustment programmes. IMF has also increasingly focused on incorporating cost-effective and socially viable safety nets into countries' reform programmes. The World Bank and IMF cooperate in the context of public expenditure reviews, and measures are under way to better integrate social sector reforms in the design of countries' adjustment and reform programmes as well as to coordinate technical assistance and policy advice.

559. IMF has an interest in income distribution issues, and hosted a conference on economic policy and equity to discuss operational issues faced by Governments seeking to formulate and implement equitable policies. Good governance is another area of IMF activity, and through its advice and technical assistance it has sought to improve governance through greater transparency and accountability in the formulation and implementation of all aspects of economic policy (see also paras. 563-580 below).

United Nations Industrial Development Organization

560. The United Nations Industrial Development Organization (UNIDO) mission is to help countries pursue sustainable industrial development. Industrial growth helps foster economic development; economic development improves tax revenues and makes it possible for Governments to achieve lasting social advance and poverty alleviation. The three E's — competitive Economy, sound Environment and productive Employment — are guiding beacons for UNIDO's approach to its markets, clients and customers, especially in the light of growing international concern over the social and environmental consequences of industrialization.

561. The comprehensive services offered by UNIDO range from simple advice and counsel to providing engineers to implement global agreements on reducing greenhouse gases and industrial pollution; from helping women dressmakers in Africa to set up textile cooperatives to transferring appropriate technology from one country to another. UNIDO specialists have helped countries build local capacity to handle their own industrial maintenance, solve sensitive problems of waste management and create good jobs.

562. The Copenhagen Declaration's commitment 7 on the economic, social and human resource development of Africa and the least developed countries is particularly relevant to UNIDO. One of its major priorities is working to make a difference in industrial growth and development in developing and least developed countries, particularly in Africa. At any one time, UNIDO has more than 1,000 projects in progress, particularly in developing and least developed countries. They include development of industrial strategies; technology transfer to boost competitiveness; helping small and medium-sized manufacturers with production of improved quality products; clustering small and medium-sized enterprises for efficiency; and providing integrated services for indigenous industries.

D. New modalities of international cooperation and partnership

563. During the last few years, United Nations system agencies have strengthened their collaborative action and joint programming in support of development goals of major global conferences, including the Summit. These new modalities of international and regional collaboration have meant not just closer collaboration and coherence within the United Nations system but also closer cooperation between the United Nations and the Bretton Woods institutions, as well as with civil society. Since the Summit, poverty eradication has become a central theme, providing coherence and mobilizing operational collaboration and the international and regional levels.

564. ACC has consistently underscored that poverty eradication is a central goal of the United Nations system that requires its sustained and coordinated efforts. Furthermore, ACC issued a statement of commitment for action to eradicate poverty at the 1998 substantive session of the Economic and Social Council, in which executive heads of the organizations of the United Nations system agreed to work together to identify areas of common action and build partnerships among concerned organizations for pursuing shared objectives in such areas (see E/1998/73).

565. The ACC ad hoc inter-agency task forces which were set up in 1995 have constituted an unprecedented system-wide effort in providing integrated, coordinated and productive support to Governments in the follow-up to major conferences and summits. The task forces have contributed to the promotion of a clearer understanding within the United Nations system of the policy framework and development agenda at the country level and have highlighted the need for continuing dialogue among the agencies and Governments (see E/1998/19 and E/1999/65).

566. Closer collaboration between the United Nations and the Bretton Woods institutions has likewise been largely influenced by the desire to give greater operational coherence to the follow up to the Summit, in particular to the overriding goal of poverty eradication. Following a joint exploratory review of cooperation between the United Nations and the Bretton Woods institutions, special high-level meetings between the Bretton Woods institutions and the Economic and Social Council were instituted in 1998. The second such high-level meeting, held in New York on 20 April 1999, discussed the theme "The functioning of the financial markets and stability in financing for development". The discussion concentrated on six main issues: measures to promote recovery and sustainable economic development; financial architecture and financial flows for development; increasing participation and cross-sectoral coherence; international policy on external debt; economic crisis and social policy initiatives; and further cooperation between the United Nations and the Bretton Woods institutions. The IMF executive directors held their first-ever meeting with the Council in October 1999, at which discussions focused on poverty eradication, the HIPC initiative and post-conflict peace-building. Similar joint discussions were held between the Bank's Executive Board and the Council in February 1999.

567. The World Bank has also collaborated with other United Nations agencies and OECD in establishing development indicators. An expert group meeting on this subject was held at United Nations Headquarters in March 1999. Following this expert group meeting, the United Nations prepared a report on the work being carried out by the United Nations system and other relevant international and national institutions on basic indicators to measure progress towards the implementation of the integrated and coordinated follow-up of all aspects of major United Nations conferences and summits. This report was the subject of an informal meeting of the Economic and Social Council on development indicators which was held at New York in May 1999.

568. Another example of innovation with regards to international collaboration concerns the 20/20 initiative, for which UNICEF, acting as the lead agency, is collaborating with the World Bank, UNDP, UNFPA, WHO and other partners. In collaboration with UNDP, it has supported 20/20 studies in some 30 countries in an effort to improve their monitoring of the level, equity and efficiency of public spending and aid allocations to basic social services. Regional seminars were organized in Latin America, sub-Saharan Africa and Asia to review findings and promote intergovernmental networks of experts and policy makers (see E/ICEF/1999/4 (part I)). The regional seminars also supported preparations for the intergovernmental meeting on the implementation of the 20/20 initiative, held at Hanoi in October 1998, at

which a number of developing and developed countries renewed their commitment to increasing allocations to basic social services and enhancing the equity and efficiency in their use. A team of United Nations and international organizations under the leadership of UNICEF has been requested to make proposals on the various dimensions of the 20/20 initiative in light of declining ODA for consideration by the Preparatory Committee for possible further initiatives.

569. Commitment 6 of the Copenhagen Declaration calls for efforts, at the national and international levels, to effectively alleviate the significant societal impact of HIV/AIDS. The creation of the Joint United Nations Programme on HIV/AIDS (UNAIDS) in 1996 represents a major new modality of cooperation. The six original co-sponsors of UNAIDS — UNICEF, UNDP, UNFPA, UNESCO, WHO and the World Bank — were joined in April 1999 by UNDCP.

570. UNAIDS provides countries with the advocacy and technical support needed to implement best practices, especially for controversial or politically sensitive prevention approaches and for efforts which need broad social mobilization. For instance, the United Nations system helps countries to mobilize many different sectors and partners to raise the status of women so that women have more economic autonomy, and more control over their exposure to HIV. Other examples include AIDS education and needle-exchange programmes for intravenous drug users and life-skills education in schools to help young people stay uninfected. One of the many elements of private sector response to the epidemic has been the establishment of the Global Business Council on HIV/AIDS, which UNAIDS helped launch in November 1997.

571. One of the best ways of combating denial is to give AIDS "a human face", through what is called Greater Involvement of People living with HIV/AIDS (GIPA), a principle strongly endorsed by UNAIDS. Malawi and Zambia were the first countries in the world to take part in a GIPA project started by UNAIDS and United Nations Volunteers.

572. With the first World AIDS Campaign in 1997, UNAIDS and its partners put the international spotlight on children who are infected, at risk of infection, orphaned or living in families affected by AIDS. In its efforts to broker global alliances, UNAIDS is committed to building relationships based on mutual respect with religious organizations that can influence the response of individuals and nations to AIDS. UNICEF is also devoting increasing attention to the impact of HIV/AIDS on children, and is working closely with WHO, the World Bank and other partners on the global vaccine initiative. Programmes have been implemented to strengthen the capacity of families and communities to care for orphans and other children affected by AIDS. Furthermore, the World Bank cooperates with UNAIDS on the HIV/AIDS Vaccine Initiative and has committed resources to over 60 projects around the world aimed at preventing and controlling HIV/AIDS.

573. Within the framework of the United Nations Special Initiative for Africa, a joint UNESCO/World Bank education programme is helping countries to formulate their own education sector development plans to provide basic education for all. The Bank has targeted a number of countries to develop activities to narrow the gaps in primary enrolment rates of girls and boys and to devote resources to increasing girls' enrolment.

574. In addition to joint action in the field of HIV/AIDS, a number of other collaborative programmes have been developed in the fields of health which impact directly on social development. WHO, UNDP, UNICEF and the World Bank together launched a "Roll back malaria" campaign to reduce toll of malaria deaths and disease. Tobacco is predicted to be one of the leading causes of disease burden in the next century. WHO has establishment a project, the Tobacco Free Initiative, to coordinate a global strategy response to tobacco as an important health issue. The long-term mission of global tobacco control is to reduce smoking and tobacco consumption in all countries. WHO is working with the World Bank, UNICEF and other partners to strengthen control, taxation policies and a ban on advertising.

575. A new area of cooperation is the development of principles and good practices in social policy to ensure that financial polices are compatible with good social policy and vulnerable populations are protected and have a greater voice in the formulation of policies. At the spring 1999 meetings of the Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund), the World Bank presented a note on principles and good practices in social policy, which distilled a set of principles from agreed United Nations declarations, especially from the

Summit, in four areas: achieving universal access to basic social services; enabling all men and women to attain secure and sustainable livelihoods and decent working conditions; promoting systems of social protection; and fostering social integration. In the light of ensuing discussion of this paper, the Bank prepared a follow-up report entitled "Managing the social dimensions of crises: good practice in social policy". This paper, focusing on "good practice", reflects the Bank's view that its expertise is best directed towards working with its partners to implement principles in the social arena agreed collectively through multi-agency or multi-governmental forums. Following its April 1999 meeting, the United Nations was invited by the Development Committee to take the lead role, with active support of the Bank, in further development of principles of social policy, a subject which is now under negotiation by the Preparatory Committee.

576. Promotion of high levels of employment is an important element of the IMF mandate, and it supports the core labour standards advocated by the ILO; the two organizations work closely in the area of labour market and related social policy reforms. Contact between staff at the country level, especially through resident representatives, has been made systematic; pilot countries have been elected for enhanced collaboration; and interaction on general policy issues has been increased, most recently in the context of the Asian crisis. In May 1998, IMF organized a seminar with the ILO to improve the staff understanding of core labour standards and the ILO role in setting and monitoring these standards (see A/AC.243/9/Add.2). Informal discussions are also under way between the Department of Economic and Social Affairs and IMF on matters relating to alternative approaches to integrating social and economic policy.

577. IMF and the World Bank collaborate in Enhanced Structural Adjustment Facility-supported programmes, and a pilot programme was launched for six countries. The pilot includes a specific focus on social sector issues. It is envisaged that the World Bank will not only identify measures to mitigate adverse effects on poor and vulnerable but also assess the social impact of programme design more broadly.[2] Recently, ESAF has been replaced by the new Poverty Reduction and Growth Facility, which aims to make poverty reduction efforts among the low-income member countries a key element of a renewed growth-oriented economic strategy. The new approach includes preparation by each country of a comprehensive poverty eradication strategy paper. High priority will be given to reform measures critical to achieving Governments' social goals.

578. The World Bank and IMF continue to collaborate on the heavily indebted poor countries initiative to reduce the external debt of the poorest, most heavily indebted countries to sustainable levels. A review of the initiative was prepared jointly by the staffs of IMF and the World Bank, containing proposals for strengthening the link between debt relief and poverty reduction. The Development Committee of the Bank and the Fund, at its September 1999 meeting, welcomed the important role played by civil society in the development of proposals designed to make the debt relief under the HIPC initiative deeper, broader and faster. The Ministers also endorsed the proposed framework for strengthening the link between debt relief and poverty reduction, while recognizing that debt relief alone would be insufficient to achieve this goal.

579. The United Nations system is increasingly building partnerships with civil society and the private sector on the issues relevant to the global conferences, including the Summit. Non-governmental organizations have been actively involved in the implementation and follow-up to the Summit. They participated in the work of the Commission for Social Development and expert panels. They played an important role in sensitizing public opinion on follow-up activities and initiatives. In this respect, major non-governmental organizations have convened conferences, symposia, and seminars on the topics of the Summit.

580. At the 1999 World Economic Forum at Davos, Switzerland, the Secretary-General of the United Nations proposed a global compact between the United Nations and the private sector to implement universal values in the area of promoting human rights, improving labour conditions and protecting the environment. The compact aims to mobilize collective and individual leadership in the business community to help provide the basis for renewing a commitment to open markets while at the same time meeting the socio-economic needs of societies. Another example of innovative modalities to strengthen relationships with the private sector was the two "enterprise forums" organized by the ILO in 1996 and 1999. The most recent, Enterprise Forum 99, involved the participation of major business and trade union leaders, as well as of

Governments, and focused on human resource-based competitive strategies, corporate citizenship and social initiatives, and the employment potential of small business.

E. Conclusion

581. The present report cannot presume to analyse the full range of activities undertaken and progress achieved in international and regional cooperation. A number of other areas of international action and relevant institutions merit attention. The Copenhagen Programme of Action invited the World Trade Organization to consider how it might contribute to its implementation, including activities in cooperation with the United Nations system. The Seattle meeting of the World Trade Organization (November-December 1999) has highlighted the strength of public perception of the close relationships between trade and social issues and the desire expressed by many that the international trading system be more open and participatory. The International Fund for Agricultural Development (IFAD) will be releasing a major report on rural poverty, which will provide valuable information for analysing progress towards the Copenhagen commitment concerning poverty eradication. The United Nations Centre for Human Settlements (Habitat) is refocusing its activities for a more explicit focus on urban poverty, working closely with cities to realize this goal. It has recently launched two major global campaigns on secure tenure and on urban governance, which are directly relevant to the three overriding goals of the Summit. UNRISD has been a strong contributor to the Summit follow-up process, both through substantive work in fields central to the Summit goals and through its web site, which has become a vehicle for exchange of views. These and many other initiatives not explicitly mentioned in the present report will no doubt subsequently be brought to the attention of the Commission for Social Development and the Preparatory Committee.

582. However, more important than describing each and every major initiative in international and regional cooperation, the present report describes a new determination and spirit of cooperation taking place across national boundaries in the field of social development. United Nations funds, programmes and specialized agencies are at the same time sharpening the focus of their activities within their respective mandates, while realizing that many of the solutions to the problems faced by their mandated constituents are to be found outside their given sectors of expertise.

583. To give just a few examples, health, education and employment are closely intertwined, with strong implications for institutional modalities within and outside of the United Nations system. Perhaps even more central are the new initiatives and modalities of collaboration being developed between organizations previously viewed as having exclusively either social or economic mandates. The new spirit of consultation and collaboration between the United Nations and its specialized agencies, the Bretton Woods institutions and other organizations, such as OECD and the G-7 and G-15 groups of countries is underpinned by a growing recognition that economic and social policies are not merely intertwined but rather part of the same whole.

Part Three

Regional evaluations of the implementation of the World Summit for Social Development: progress achieved, constraints and lessons learned

584. Parts three and four of the present report endeavour to stand back from some of the detailed information presented in the previous two reports covering both national reporting and regional and international cooperation. Based largely on national reports but also supplemented by information in United Nations reports and other sources, part three provides an analysis of trends in different regions of the world as well as on a global level. This is an ambitious task. First and foremost, the objective of this analysis is to provide the Commission for Social Development and the Preparatory Committee with the information required to evaluate progress, obstacles encountered and lessons learned in meeting the Summit's commitments.

585. Given the specific characteristics of different regions, part three is divided into sections, one for each major region or grouping of countries. These regional overviews evaluate progress towards each of the three overriding goals of the Summit, namely, poverty eradication, full employment and social integration.

Following this evaluation, each regional overview then analyses obstacles encountered as well as lessons learned in implementing the Summit's commitments.

586. In conclusion to the report as a whole, part four provides an analytical overview that identifies 11 cross-cutting issues drawing on the rest of the report. These issues first of all cut across different regions of the world, and across countries at different levels of development, and can therefore be said to have universal relevance. Of course, the pertinence of these issues will vary from one region to another. For example, in OECD countries, the issue of informalization of employment may mean growth in non-standard forms of work and short-term and precarious employment contracts, whereas for developing countries, the issue refers to the continued growth of the informal sector, both as a positive source of new job opportunities and as a survival strategy. The issues are also cross-cutting since they do not fit neatly into one of the three overriding Summit goals but rather serve to highlight the close interdependence between the issues of poverty, employment and social exclusion and point to the need for integrated solutions. Finally, it is hoped that the issues raised in the analytical overview will provide fertile ground for discussions on possible further initiatives to advance the goals set at Copenhagen.

VIII. South Asia

A. Introduction

587. The experience of the countries of South Asia in dealing with the three principal commitments of the Summit is reviewed below. In general, the record is mixed, although some positive developments should be highlighted. Some countries have been able to achieve moderate progress in reducing poverty and expanding employment since 1995. At the same time, however, a few other large countries in the region have failed to generate sufficient equitable economic growth to do so. Progress has been achieved in promoting social integration, with all countries making some advancement towards decentralization and democratization. Obstacles encountered in implementing the commitments of the Summit have primarily concerned high population growth, problems in providing education for all, economic policy, and effective and democratic governance. Some of the lessons learned from South Asia in reducing poverty, expanding employment and promoting integration may be of value in tackling similar obstacles in other parts of the world.

B. Progress achieved

1. Poverty alleviation

588. Nowhere else in the world are the goals of the Summit more elusive than in South Asia. The region is home to well over 500 million people living in absolute poverty. While it houses 29 per cent of the world's population, South Asia is also home to no less than 43 per cent of the world's poor.

589. Yet, when considered over the past four decades, it is clear that the countries of South Asia have made headway in the eradication of poverty. India reduced its poverty from well over half of its population to about 40 per cent by 1994. Income poverty in Pakistan was reduced from more than 50 per cent in the 1960s to slightly under a quarter of the population by 1984. Bangladesh achieved a reduction in poverty of over two thirds to less than half of its population in the 10 years 1977-1986.[3] The pre-Summit record of South Asia in combating poverty is, therefore, moderately positive.

590. As for the achievements made after 1995, it should be noted that data on poverty since 1995 are extremely scarce, and therefore any statement on poverty trends since that year should take account of economic growth performance, targeted poverty-reduction programmes, political stability and in some cases, natural disasters. Country experiences are reviewed below.

591. It appears that India has made some headway in reducing poverty since 1995. Whereas the overall share of the population living below the national poverty line had already declined steadily from 53 per cent back in 1970[4] to nearly 41 per cent in 1992, as a result of the great number of special poverty alleviation programmes to impoverished groups in Indian society, moderately high economic growth and a relatively even distribution of that new wealth, that share declined further to approximately 35 per cent in 1994 and, most recently, to 29 per cent in 1997.[5] [6] One other reason for India's apparent success in reducing the incidence of poverty appears to be the adoption of a holistic poverty approach, which encompasses both targeted policies

(aimed at ensuring improved human development) and macroeconomic policies aimed at enhancing economic growth and employment. Through its current ninth economic plan, the Government has declared its intention to reduce the overall poverty incidence further to 18 per cent by 2002 and below 5 per cent by the year 2012.[7]

592. The success of Bangladesh in reducing poverty has been mixed. By using available data on income poverty of the World Bank, Bangladesh's poverty incidence was indeed reduced from a reported level of 43 per cent in 1991-1992 to 36 per cent in 1995-1996.[8] However, although extreme poverty has declined in both rural and urban areas, rural poverty is still higher than urban poverty in Bangladesh. Reducing the poverty of the very poor living in rural areas, still at 40 per cent of the rural population in 1995-1996, remains a massive challenge. More recent experience in lowering the poverty incidence in Bangladesh does not appear encouraging. Sustained economic growth required for reducing poverty has been hampered by political instability and by the worst floods to hit the country in the century in 1998.[9] It has also been argued that the fair economic growth record of the country in the 1990s has not had adequate income-distributing effects to reduce poverty substantially. Depending on the poverty measure used, one fifth to one third of the potential decrease in poverty resulting from growth is estimated to have been lost because of rising inequality.[10]

593. Recent research has provided new insights into the dynamics of poverty in Pakistan since the early 1970s.[11] Income poverty has been reduced from about 40 per cent in 1970 to some 20 per cent in 1990. However, because of sharply dropping remittances from overseas workers in the Middle East and poor economic growth, the level of poverty is reported to have risen again to 30 per cent in 1995. The post-Summit record in poverty reduction in Pakistan appears to be negative. As a result of a continued drop in remittances, the preoccupation of Governments to deal with various financial, economic and political emergency measures, and a serious contraction in economic growth, evidence suggests that the incidence of income poverty has risen again beyond its 1995 level of 30 per cent.[12]

594. Estimates on poverty in Nepal are sometimes contradictory, yet no evidence exists that poverty has been substantially reduced over the past three decades. Income poverty has been quoted as having risen from 36 per cent in 1976 to 45 per cent in 1995-1996.[13] Other estimates quote a nearly identical level of poverty in the same period.[14] It seems likely that poverty has not declined since that period, as the post-1995 period has witnessed low economic growth rates and an actual decline in GDP per capita in 1998.[15]

595. Sri Lanka's incidence of poverty has historically been lower than its larger neighbouring countries in the region. It has been reduced to slightly over 20 per cent in 1996.[16] However, the steady record of reduced poverty appears to have slowed down in the second part of the 1990s. Economic growth, while satisfactory at 4 to 5 per cent per year, has been insufficient to eradicate poverty, particularly in rural areas. Continued hostilities in the northern and eastern parts of the country have also been a serious drain on resources otherwise available for poverty eradication.[17]

596. Little is known on the extent and depth of poverty in Afghanistan. The country does not appear in any of the poverty data made available by the World Bank or the UNDP. Decades of war and devastation have left the majority of the population with no sustainable means of income or access to health and education.

597. In the Islamic Republic of Iran, poverty was reduced substantially in the 1980s. Considerable progress was achieved in providing health and education to all. Between 1984 and 1996, the rural and urban populations living below poverty line in the Islamic Republic of Iran decreased to about 26 per cent and 12.2 per cent from 48 per cent and 47 per cent, respectively. The country has climbed 33 places in the ranking of human development indicators since 1993. It is estimated that currently about 18 per cent of the population lives below the nationally defined poverty line, which, it should be noted, represents a higher living standard than almost all countries in South Asia.[18]

598. No firm data show trends in poverty since 1995 in Bhutan or Maldives. In Maldives, strong and sustained growth, in particular in tourism and fishing industries, appears to have made a solid impact on the overall economic situation of the country and possibly to have had a positive income-distributing effect on the entire population. In Bhutan, the concerted efforts of the Government and international donor communities to provide and improve access to health, education and income-generating activities for the majority of the

population living in remote rural areas appears to have borne fruit and may also have had a positive impact on the overall standards of living in the country.[19]

599. In summary of the above country analysis, since the adoption of the Copenhagen Declaration in 1995 the incidence of poverty (as shares of the population) appears to have decreased in four of the nine countries (Bhutan, India, Islamic Republic of Iran and Maldives) and to have increased in the other five countries (Afghanistan, Bangladesh, Nepal, Pakistan and Sri Lanka).

2. Full employment

600. Most of the population of South Asia is in one way or the other economically active. Open, full-time unemployment is a rare phenomenon. In addition, registration and monitoring of changes in the labour market are still not widespread in the region. Official comparable data on employment trends in the post-Summit period are confined to 1996 figures for three countries only.[20]

601. However, there appears to be evidence that the South Asian economies have largely been spared from the financial and economic crisis in East and South-East Asia. Economic growth rates for the region remained positive and significant for most of the countries. It remains to be seen however, to what extent the average growth rates of 4 to 5 per cent in the region over the past few years will have an adequate positive impact on creating more employment in the relatively small formal sector.[21]

602. Some structural features of labour and employment in South Asia appear to have become increasingly of concern in the past five years. These include the persisting and direct correlation between poverty and employment in South Asia; structural changes taking place in the sectoral distribution of labour; the impact of globalization on the job market; and child labour.

603. The correlation between poverty and employment is unequivocal in South Asia. For example, in India, where 90 per cent or more of the workforce is engaged in the unorganized or informal sector, the extent of unemployment or under-employment is relatively low. The major cause of poverty is therefore more related to low wages and low productivity. Recognition of this situation is important since it has implications for policy orientation. Rural wages are crucial determinants for Governments to monitor and evaluate both poverty and employment trends in South Asia, both of which remain largely rural based.

604. However, a correlation between economic growth and poverty should by no means be taken for granted, as illustrated by the experience of Pakistan. Between 1993 and 1995, economic growth was no less than 4.3 per cent, by most standards a satisfactory figure. Over the same period, however, the labour force grew by 2.2 per cent while employment grew by only 1.9 per cent. Consequently, the unemployment rate increased from 4.7 to 5.4 per cent, which in turn contributed to a drop in wages of no less than 5.7 per cent. Much of the positive impact of growth on poverty has thus been lost.[22]

605. A second observation on expanding productive employment concerns the continuing structural changes taking place in the economies of South Asia. These underlying processes are demonstrated most clearly when reviewing the sectoral distribution of the labour force in South Asia over the past 20 years. One of the first striking features is the persisting dependence on the primary sector in Nepal and Bhutan, both of which saw the labour force in the agriculture sector unchanged at no less than 94 per cent of the total working population. This experience stands in the contrast to that of Bangladesh, India and Pakistan, where agricultural labour levels declined from 73, 70 and 63 per cent in the early 1980s to 60, 60 and 46 per cent, respectively, in 1997. Whereas in Bangladesh industry fully absorbed the labour surplus from agriculture, India and Pakistan's experience in absorbing or pulling excess agricultural labour was more evenly distributed over the industry and services sector. Maldives witnessed the most rapid structural labour transformation in the group: the agricultural labour force dwindled from 50 to 20 per cent, mostly in favour of the services sector, which grew from 21 to 48 per cent between 1980 and 1997.[23]

606. The changes in the composition of the labour force by sector is directly related to a third feature of labour in South Asia — the increasing influence of globalization on labour markets. Many countries in South Asia have increasingly adopted more outward-looking economic strategies; the example from Maldives above, as well as the emergence of export-oriented software industries in India and garment-producing industries in Bangladesh and parts of India, illustrate that point.

607. As poverty and low productivity continue to plague the informal sector, child labour in South Asia, until recently an overlooked phenomenon, has increasingly gained international attention. On average, some 22 per cent of all children between 5 and 14 years of age in Asia are believed to be at work when they should be in school. The number for South Asia is probably much higher than that average. A new ILO convention on eliminating the worst forms of child labour, such as child slavery, sexual exploitation and hazardous work, including forced recruitment of children for use in armed conflict, was adopted in June 1999. Of the 250 million children between the ages of 5 and 14 working in developing countries, Asia has the most child workers, with 61 per cent of the global total.[24] The problem has increasingly led to government and private sector responses. For example, the ILO and the Pakistan Carpet Manufacturers and Exporters Association reached an agreement in October 1998 that would remove all child labourers below the age of 14 from work in the carpet industry in that country.[25]

3. Social integration

608. With their pluralism and diversity, the countries of South Asia have had a long-standing tradition of mutual tolerance and responsibility in society, as well as respect for the rule of law and democratic governance. However, in the period under review, it appears that a new momentum — however fragile — towards further democratization and decentralization has been built. Several initiatives have been made towards the greater participation of civil society in many of the countries under review. Initiatives for the revision of democratic institutions have often come from the Governments of the region themselves. In other cases, popular mass movements have imposed cultural and political changes.

609. Constitutional reform and democratization has taken place in many countries of the region. The new constitution in Maldives, effective as of 1998, provides the basis for a stronger democracy.[26] Also in 1998, Bhutan made sweeping changes in its legislative system, shifting powers to its National Assembly.[19] Nepal, in the nearly 10 years since its transformation to a constitutional monarchy in 1990, has undergone massive political change.

610. Also for decentralization, examples of recent developments from the region abound. In India, the Panchayati Raj system, decentralizing some of the powers of central and state government to elected village assemblies, became effective in 1993 and became operational shortly afterward. In Pakistan, which has had a long tradition of large autonomy of its provincial governments, momentum towards greater decentralization is building. In the Islamic Republic of Iran, first-ever local elections were held in early 1999.

611. But armed conflict in Sri Lanka and Afghanistan continued, causing large-scale death and destruction. Also, some democratic changes appear to have been at a certain cost to political stability. Elected Governments in Bangladesh, Nepal, Pakistan and India have frequently been replaced before the end of their planned terms, unfortunately not always through new elections. This has weakened the effectiveness and impact of some countries' Governments in reducing poverty, expanding employment and promoting social integration.

612. Reviewing any trends in the integration of disadvantaged and vulnerable groups in South Asia is a precarious task. In a region where more than half a billion people live in poverty, the integration of the poor into non-poor society can only be achieved with poverty alleviation. It should be recognized, however, that large differences exist between social groups at the country level in terms of their access to participation, health, education, income and indeed decision-making processes.

613. Some Governments have, over the years, taken explicit steps to confront the lack of access to those opportunities. For example, India recently adopted a constitutional provision stipulating that 22.5 per cent of all jobs in government be reserved for marginalized groups, disadvantaged and discriminated individuals. Other countries have adopted similar strategies of affirmative action to empower vulnerable groups and promote social integration. Those groups include refugees, the elderly, people with disabilities, indigenous people, the increased number of people living with HIV/AIDS (most notably in India and Nepal) and above all women.

C. Obstacles encountered

614. Social development in South Asia has always been regarded against a dual and often conflicting background of vast poverty and cultural richness and diversity. It is unlikely that that picture will be changed

any time soon. However, some critical issues will need to be addressed if the region is to achieve the three core goals of the Summit in this century.

615. The first major challenge to the people and Governments of South Asia will continue to be in reducing high population growth. Currently, the region has a population of roughly 1.5 billion, with India's population over 1 billion. With the single exception of Sri Lanka, the population growth rate has remained high. Pakistan's rate of 5.0 stands in contrast to the rate of 3.1 for Bangladesh, 3.6 for India, and only 2.1 for Sri Lanka.[27] Because most of the growth is occurring in poor rural and urban areas, the increased population contributes significantly to the already huge number of poor. But the case goes beyond those mathematics: the pressure of population on the natural resource base of the countries in South Asia has resulted in shrinking forests, deteriorating rangelands and falling water tables. Although India has tripled its grain harvest since independence, food production in South Asia has barely kept pace with population growth. Moreover, the increase in land productivity is slowing for many countries in South Asia, and the continuing reduction of crop land per person threatens the food security of the region.

616. Second, in the area of education South Asia has made overall progress in providing education to its children. Adult illiteracy was reduced from 49 to 32 per cent between 1970 and 1995. However, the region has a long way to go before it can match the record of achievement of other developing regions of the world. Since the early 1970s, East Asia has achieved near universal literacy, while sub-Saharan Africa and the Arab States have nearly doubled their adult literacy rates. From that perspective, South Asia has fallen behind. Moreover, educational progress has been uneven among the various countries of the region. Sri Lanka and Maldives are close to achieving complete adult literacy, whereas the literacy rate in Nepal increased from 13 per cent in 1970 to only 28 per cent in 1995.

617. The most disturbing statistic in South Asian education, however, is the continued sharp gap in opportunity for education between males and females. The gap between male and female literacy is 28 percentage points; while the female literacy rate is only 38 per cent, for males it is 66 per cent. Those gaps can be traced to the past discriminatory treatment of girls in providing access to services. The fact that there are only 93 women for 100 men in South Asia, as compared to the global ratio of 106 women for every 100 men, reflects their poor status and highlights their plight. Multiple forms of discrimination faced by women severely limit their opportunities.

618. Most of the countries in South Asia have made considerable achievement in getting young people into the classroom. But an extra effort is called for. Other educational challenges in South Asia appear to consist of enrolling all children in primary schools, improving the quality and the relevance of education, providing more and better teachers, building relevant technical skills and mobilizing adequate financial resources.

619. A third area of concern in achieving the goals of the Summit concerns some of the economic policies taken. As discussed earlier, India's limited success in poverty reduction may be traced to a political commitment to poverty in combination with pro-growth economic policies. Programmes have been concentrated on poverty alleviation in rural areas, which contain the most intractable segment of the poor population, emphasizing self-employment and wage employment programmes. Moreover, in the post-Summit period, India's growth rate has been higher than in any previous phase in India's history. Consequently, poverty could have declined.

620. In other countries, however, the record was not that positive. Economic policies failed to generate sufficient economic growth, or in cases when it did sustain growth, economic progress did not trickle down to make substantial reductions in poverty. The rising poverty level in Pakistan could be attributed to low economic growth and the country's inability to achieve a distribution of growth for the benefit of the poor. Currently, only 0.22 per cent of GDP is transferred to the poor through the traditional *zakat*,[28] less than 3 per cent on education and 1 per cent on health services. However, national initiatives to redress the situation, such as the continuation of the social action programme, the poverty alleviation fund, and other initiatives, could eventually bear fruit.[29]

621. Bangladesh and Nepal's efforts to reduce poverty have also not been very successful, partly because of the low growth of the economy, partly because of political instability in Nepal and partly because of the occurrence of major floods over successive years in Bangladesh. However, it should be noted that Bangladesh has taken major steps, even within the

context of low economic growth, to create a large human capital base. The total allocation of social sector development in 1998/99 is 18 per cent of government expenditures. Non-governmental organizations further contribute to this emphasis on the social sector. Finally, the incidence of lower poverty in Sri Lanka is primarily due to the strong commitment of the Government to develop the social sector and build infrastructure for health, education and other social services. It is generally accepted that Sri Lanka would have made much more rapid progress but for its ongoing civil war.

622. Finally, democratic processes leading to good governance have made significant strides in the countries of the region, and have strengthened social integration in the region, as discussed above. However, weak coalition Governments in India, Sri Lanka and Nepal, political unrest in Bangladesh and a military coup in Pakistan have continued to threaten the potential scope of development. This has taken away much of the necessary attention from addressing the three core issues of social development. Moreover, large income disparities reflect a state of governance that has not been very successful in transferring benefits of economic growth to the poor. Strengthening of civil society is an essential condition for strengthening the linkage between the people and government.

D. Lessons learned

623. From the experience of South Asia in dealing with the three principal Summit commitments, some of the following conclusions could be drawn.

624. First, rapid population growth continues to form a heavy burden for many South Asian countries. Without a progressive drop in fertility, it is unlikely that the countries will be able to develop as they hope. Second, the South Asian experience suggests that broad-based and equitable economic development across various income groups is a necessary condition for sustainable poverty reduction. Investments for economic growth and investments in social progress are mutually reinforcing and need to be implemented simultaneously.

625. Third, since conditions which create poverty are different in rural and in urban areas, separate strategies need to be developed for them. However, since more than 80 per cent of the poor in South Asia lives in rural areas, eradication of rural poverty will require a major expansion of rural investment and agricultural support programmes. Since the experiences of policy makers in poverty reduction are dissimilar, it will be important to draw upon the success stories and disseminate them.

626. Fourth, there is an urgent need for increased resources for education. There are 395 million illiterate adults in the region, of whom 60 per cent are women. In addition, there are 50 million out-of-school children, with another 2.2 million children added each year because of population growth. It is estimated that if universal primary education is to be attained, facilities need to be created for an additional 65 million children. Massive human investment was a prime factor in East Asia's economic success, a success that could be replicated in South Asia.

627. Fifth, strengthening civil society will be essential to bridge the gap between the State and the citizens, and to facilitate empowerment of the people to take control of their own lives and encourage Governments to work with them in more effective ways. Sixth, peace is a prerequisite for development in South Asia. Defence allocations in the region currently take away too many resources from development. While the region has 40 per cent of the world's poor, it is spending $12 billion on defence. Ways must be found to create a peace dividend for poverty alleviation.

628. Finally, given the cultural and historical ties between the countries of South Asia, the potential for regional cooperation between them is enormous. With a potential 1.5 billion consumers in the region, a large and vibrant middle class and low-wage labour, there is great scope for unleashing the creative economic and social potential of the societies. In an era of globalization, increasing regional cooperation could be crucial for increased prosperity and well-being.

IX. East Asia and the Pacific

A. Introduction

629. Most countries of the East Asia and Pacific region have achieved remarkable progress in reducing poverty and improving social conditions in the past few decades. The region's performance in terms of economic growth has been better than that of most other developing countries. Today, per capita incomes

are more than seven times what they were in 1960 and three times what they were in 1980.[30]

630. Growth has been supplemented by high investments in human capital across the region. Major achievements were made in providing education, health and other services to the people of the region. The situation of women has improved significantly. Behind these achievements lie high economic growth, large domestic savings and increases in government expenditure in key areas of social development, such as health and education.

631. It is important to stress the diversity of the region. Whereas East Asia has experienced many successes in achieving social and economic development, considerable challenges remain in attacking poverty in some other countries. The Pacific island countries, containing ecological, economic and social features very different from their neighbouring countries in Asia, continued to face problems related to their relative isolation and lack of sustained growth.

632. Despite the success, some of the countries with remarkable achievements have been prone to some major setbacks since the outset of the Asian financial crisis in mid-1997. Thailand, Indonesia and the Republic of Korea rationalized government expenditure for social development, at the same time when the economic fallout had resulted in renewed poverty, unemployment and general vulnerability of the population to external shock. Although there have been signs of recovery in most of the affected countries, the crisis has highlighted many structural issues that need to be addressed in order to reassume the path to full employment and poverty-free societies.

B. Progress achieved

1. Poverty alleviation

633. The economic downturn in East Asia triggered by the devaluation of the Thai baht in July 1997 was swift and sudden. The unusually high economic growth rates which dominated the region in the early 1990s were reversed in 1998. Almost all of the more populous countries in South-East Asia faced regression in 1998. However, the picture for 1999 seems to be considerably better. Growth rates in China and the Republic of Korea are expected to be near 7 or 8 per cent, with many of the other countries posting growth rates between 2 and 3 per cent.[31]

634. What have been the implications of this strong economic performance on poverty in the region? Prior to the crisis, poverty figures were reduced substantially due to rapid economic growth. The number of people living on less than $1 a day in East Asia was reduced by roughly half in the 20 years since 1975. Using the World Bank's threshold of US$ 1 per day, the number of people living in abject poverty declined from 720 million in 1975 to 345 million in 1995. Moreover, the pace of poverty reduction in the region was faster than in any other developing region. While 6 out of every 10 people in the region lived in absolute poverty in the mid-1970s, only 2 in 10 did so in the mid-1990s. Substantial reduction and in certain cases elimination of poverty permitted the countries of the region to shift priorities in the fight against poverty towards addressing the need of the marginal poor.

635. Any evaluation of poverty trends in East Asia since 1995 should start with China, which accounted for 78 per cent of East Asia's poor in 1995. The record of China in poverty alleviation is impressive. It managed to reduce the number of rural poor from 280 million in 1990 to 200 million in 1995 and further to 124 million in 1997 by the commonly used standard of $1 per day of the World Bank. For 1999, the total number of rural poor in China is estimated to have declined further to 75 million, beyond doubt a great accomplishment.[32] Using other criteria, official data indicate that there were 42 million rural poor by the end of 1998.[33] As the country has so far managed to minimize any impact of the crisis in its neighbouring countries, it has been able to sustain relatively high economic growth which has proven to be the engine for rural poverty reduction.

636. Indonesia had an impressive record in poverty alleviation before the onset of the crisis. The number of poor in Indonesia fell from 88 million in 1970 to only 22 million in 1995. However, it appears that the impact on poverty of the crisis has been the hardest in Indonesia as compared to its neighbours. Since the onset of the crisis in 1997, the incidence of poverty, using nationally defined poverty lines, almost doubled in Indonesia, from 11 per cent to 19.9 per cent (about 36 million people) at its apparent peak at the end of 1998.[34] As in some of the other countries in the region, however, it appears there are some signs of recovery. A household survey conducted by UNICEF and quoted by the World Bank found that the percentage of households under the poverty line declined by 2.8

percentage points in 1998, which would be sufficient to erase 40 per cent of the rise in poverty brought about by the crisis. Those data, however, are tentative and should be interpreted with caution. Poverty in the Indonesian archipelago has traditionally been subject to very large regional differences, and the impact of the crisis has not been geographically uniform; urban areas appear to have been hardest affected by the crisis, and some islands more than others.

637. In the Republic of Korea, there was a similar doubling of poverty from 8.6 per cent in 1997 to 19.2 per cent in 1998. Urban poverty, which had been steadily decreasing from a level of 20 per cent in 1975, increased from a low of 9 per cent in 1997 to a peak of 23 per cent in the third quarter of 1998. In the aftermath of the crisis, it has reportedly fallen back to 16 per cent in early 1999.[35] The sudden sharp rise in unemployment and poverty has painstakingly recalled the need for the development of comprehensive social security systems, hitherto imagined unnecessary.[36]

638. In Thailand, one of the initial success stories in economic and social development, the incidence of poverty grew only slightly from 11.4 per cent at the onset of the crisis in 1997 to 12.9 per cent by the end of 1998.[37] However, the largest impact of the crisis was felt in the poorest northeastern region of the country, where poverty rose from 19 to 23 per cent in that period. The social impact of the crisis in Thailand is not fully known. Recent evidence suggests that families and government programmes successfully acted to cushion impacts on health and education. This was achieved in three distinct ways. First, families reacted to declining budgets by spending significantly larger amounts of household budgets on essential expenditures, such as food, shelter, education and medical supplies; second, government expenditures on the health and education sectors were substantially increased; and finally, there was increased utilization of that government provision in health and education (i.e., higher public school enrolment and outpatient visits of government hospitals).[38] Socio-economic and political stability has also been a contributing factor to efforts to revitalize the Thai economy and mitigate the negative impact of the crisis.[39]

639. In Malaysia, where poverty had been below 10 per cent for most of the 1990s, only a small increase in poverty has been reported. Poverty in the Philippines was reduced by 3.4 percentage points, from 35.5 per cent in 1994 to 32.1 per cent in 1997.[40] However, lower economic growth as a result of the crisis is likely to have caused a slowdown in general progress in poverty reduction after that year. By other measurements, the proportion of people living below the poverty line in the Philippines had declined from 50 per cent in 1988 to 38 per cent in 1997.[41] The continued high incidence of rural poverty, almost unchanged at 51 per cent in the same period, remained a primary concern for the Philippine Government.

640. The poverty situation is fundamentally different in the transitional countries of South-East Asia, which all became new member States of the Association of South-East Asian Nations (ASEAN) in the period under review. Poverty has been high in Viet Nam, Cambodia, the Lao People's Democratic Republic and Myanmar for many decades. Viet Nam, which witnessed short but spectacular growth in foreign investment and economic growth between 1994 and 1996 had already witnessed a slowdown before the crisis. The other countries never experienced any of the rapid economic growth that had spurred progress in poverty reduction in other countries to start with. Nevertheless, there has been a negative effect of the crisis on the economic growth pattern of these countries, and therefore beyond doubt on the poverty situation.

641. In conclusion, therefore, it appears that despite the setbacks over the current economic crisis in some countries in the region, progress has been achieved in alleviating poverty over the past five years, as had been the case in preceding years. The most significant reduction in poverty, both in absolute poverty and absolute number of poor, has been in China. The impact of the economic crisis, while yet still to be fully appreciated and understood, has been confined to a limited number of countries in the region, and in those countries is showing signs of retreat.

2. Full employment

642. High economic growth spurred many countries of the region into near-full employment over the two decades leading up to the financial crisis. In 1996, unemployment rates in Thailand, the Republic of Korea, Malaysia and Singapore were typically below 3 per cent.

643. A high level of integration with the world economy and flexible labour markets translated into high rates of job expansion and rising real wages.

Wages quadrupled in the Republic of Korea, tripled in Singapore and doubled in Indonesia and Malaysia since 1980. Formal sector wages and private sector employment grew more rapidly than in any other part of the world. The structure of employment shifted from low-productivity agriculture to higher productivity activities in industry and services, and, in some smaller economies of the region, resulted in overall shortages of labour. The reliance on exports of labour-intensive manufactured products also contributed to higher rates of employment growth. At the same time, the agricultural sector in some countries expanded, intensified and often become more export-oriented. Agricultural wages thus followed the general upward trend of the entire economy. As discussed, the gains of higher economic growth and widespread employment creation helped to lift large parts of the population out of poverty.

644. That all changed with the onset of the financial crisis in mid-1997. The devaluation resulted in a huge outflow of capital. More than $30 billion of foreign investments left Indonesia, Malaysia, the Philippines, and Thailand in 1997 and 1998.[42] A large drop in economic activity followed. After an average of 4 per cent growth in 1997, the region contracted by about 7 per cent a year later. The most immediate social effect of the crisis was a sharp increase in unemployment. Over 20 million workers are said to have lost their jobs in those countries.[43]

645. Across the region, the economic crisis initially lead to a significant outward movement of migrant labour in the early stages of the crisis. By mid-1998, the total number of migrant workers in Thailand, the Republic of Korea and Malaysia had dropped by almost 1 million, a considerable number given the total of approximately 6.5 million migrant workers in the region. The crisis also caused large-scale internal urban-to-rural remigration, as has been clearly the case in Thailand and Indonesia. The magnitude of that reverse migration has not been estimated, but has probably involved tens of millions of people across the crisis-hidden countries. In both cases, lower-skilled workers and those without labour documentation were forced to leave their jobs behind first. Low-skilled labour happened to be concentrated in those industries hardest hit by the crisis, such as construction and industry. The country experience in East Asia has been very mixed.

646. Since the beginning of the 1990s, China has continued its path to employment expansion through its rapidly growing economy. It has continued its policies of macroeconomic reform and greater flexibility in labour market regulations. However, viable alternative employment needed to be sought for redundant workers being laid off from restructuring state-owned enterprises. To that end, the Government has embarked on an ambitious training programme for these workers, seeking to train and re-employ 10 million workers within three years. Also, labour market pressures from rural-urban migration have remained a substantial challenge. Unemployment reached about 3 per cent in mid-1998, with an additional estimate of 5 per cent of the working population consisting of laid-off workers from state enterprises.[43]

647. In Indonesia, the crisis erupted at a time when the economy was wrestling with the impact of an unprecedented drought. One in every five formal sector jobs was terminated in 1998, leaving 5 million mainly urban workers with bleak income prospects. Unemployment was estimated to be between 15 and 20 per cent by the end of 1998. As mentioned above, the rural sector managed to cushion some of the urban unemployed through strong family relationships of urban workers. Workers who could secure their employment were suddenly faced with a sharp drop in real wages as inflation soared.

648. In the Republic of Korea, one in 20 workers was retrenched as a result of the crisis. Open unemployment has increased from 2.3 per cent to a peak of 8.7 in February 1999. Figures for May 1999 showed a drop in unemployment to 6.5 per cent; moreover, the economy was staging a fairly strong comeback. GDP grew by 9.8 per cent in the second quarter of 1999 and was expected to reach 8 per cent over the year.[44] However, that figure did not include 400,000 unemployed workers in temporary public works projects. Public works programmes were created, providing at least temporary job opportunities. The Government also initiated financial programmes to provide credit targeted at encouraging self-employment businesses and implemented a more comprehensive unemployment benefits package.[45] Unemployment in the Republic of Korea has been heaviest among the lower-skilled workers.

649. In Thailand, open unemployment rates more than doubled from 2.3 per cent in February 1997 to 5.4 per cent in February 1999. Preliminary evidence on

internal labour migration in Thailand suggests that the rural sector may have served as a cushion for some of the unemployed, including construction and factory workers in Thailand returning to their homes in rural areas. However, as many poor extended rural families were dependent on these earnings from migrant labour, those households have been among the groups most seriously affected by the crisis. This is demonstrated in the high increase in poverty in the northeastern part of the country described above. Particularly in the fisheries and construction sector, large-scale unemployment was offset by the return of a total of almost half a million migrant workers, most significantly from Myanmar but also from Cambodia and the Lao People's Democratic Republic.

650. In Malaysia, unemployment was initially offset by an outflow of some 400,000 migrant workers. It increased from about 2.5 per cent to 3.9 per cent in early 1999.[46] Unemployment in the Philippines, traditionally higher than other countries of the region, dropped to 9 per cent in the first quarter of 1999 from above 10 per cent in late 1998. Singapore, although not as seriously affected by the crisis as some neighbouring countries, nevertheless reported a net loss of some 20,000 jobs in 1998, against an increase of 120,000 jobs one year earlier.[47] In Hong Kong, China, unemployment rose from 2 per cent to over 5 per cent by the end of 1998. In Viet Nam, as in China, an increasing number of workers have been laid off due to restructuring and closing government enterprises. Combined with a loss in exports and foreign investment, unemployment in urban areas grew to approximately 7 per cent by early 1999.[48] In other transitional countries in South-East Asia, such as Cambodia and the Lao People's Democratic Republic, Governments also embarked on labour-intensive public works programmes to counter rising unemployment caused by the economic slowdown in the neighbouring countries and aggravated by returning labourers, particularly from Thailand and Malaysia.[49]

651. In the Pacific island countries, considerable variation in economic performance and exposure to external developments continue to dominate the vulnerability of the small organized sector. However, the impact of that economic performance on the expansion of productive employment appears to be, on balance, negative. Most countries were facing slow economic growth and employment expansion even before the onset of the crisis. Growth in Samoa plummeted from 6.9 per cent in 1996 to 0.8 per cent in 1997 and only 0.4 per cent in 1998; in Fiji, GDP declined by no less than 3.2 per cent in 1998, although due to factors mostly unrelated to the economic crisis in Asia. Papua New Guinea managed to achieve strong growth despite falling commodity prices and the Asian crisis.

652. In conclusion, there has been a strong negative repercussion of the economic crisis on the employment situation in most countries of East Asia. With the possible exception of China, which had a different set of labour market dynamics, large numbers of workers were laid off as a result of falling exports and foreign investment and a lack of demand for domestic products. However, by mid-1999 signs of relief began to appear in some countries. Notwithstanding any other external shocks to the economies of the region, it is reasonable to expect a further consolidation of employment in the region in the immediate future.

3. Social integration

653. Mainstreaming the poor, disadvantaged and vulnerable groups into the development process has been a major concern of the Governments in this region, particularly since the onset of the crisis. Policy measures have been further hampered by a suddenly shrinking resource base.

654. Democratization and decentralization were brought into new light by the crisis, and in some cases led to popular demands for more openness, fairness and equality in governance. In some countries, economic hardship coincided with social unrest and quests for fundamental change in society, sometimes leading to serious disruptions in social cohesion and long-term stability.

655. The impact of the economic crisis in East Asia on social integration is difficult to assess in terms of hard data. There is so far very little empirical evidence on the impact on disadvantaged groups in the societies of the region. Efforts to promote integration of those groups in society have no doubt, at least in the initial stages of the crisis, been harmed by limited resources and shifts in economic and social policy to emergency measures to mitigate the negative impact of the crisis. Notwithstanding that general observation, an overview is set out below on some of the apparent developments related to social integration in the societies of the region.

656. First, what was the impact of the crisis on income distribution and inequality? Before the onset of the crisis, Asia's spectacular economic growth had, at least in most countries, been of an equitable nature. Research demonstrates that Gini coefficients (a measurement of inequality) had shown large decreases (i.e., in inequality) in the Republic of Korea, Indonesia and Malaysia in the 1980s. However, Thailand witnessed higher inequality in the past two decades, as has Malaysia in the 1990s.[50] With the partial collapse of higher-bracket incomes in the urban sector in those four countries, inequality appears to have fallen in the short term as a result of the crisis. On the other hand, the large number of lay-offs of low-paid unskilled workers may have offset that trend.

657. A second related development has been the renewed call on traditional social protection systems to mitigate the impact of the crisis. In the years before the crisis, the slow breakdown of traditional security systems to deal with job losses, disabilities and ageing was a concern for some countries in the region. Most countries had no or only limited employment insurance schemes or social protection for the poor, and little provision for old-age pension benefits. While progress was eroding the traditional systems of family ties and support from the community, formal social protection mechanisms or policy interventions on household welfare or the institutional capacity to deal with mass lay-offs did not sufficiently replace them. Instead, there was presumed reliance on rapid growth and lifetime employment to provide for social security. Only a few countries in the region had formal schemes, albeit covering small parts of the population.

658. Third, and related to this issue, the rural sector has played an important role in cushioning the negative social impact of the crisis. Agriculture has served as an "informal social security system" by absorbing laid-off workers from the urban sector into family-based agricultural activity. That has certainly been important in mitigating the negative effects of the crisis in the countries of South-East Asia (Thailand, Indonesia, and to a lesser extent, also in Malaysia and the Philippines). But in the Republic of Korea, the rural sector all but disappeared after more than 30 years of industrialization. Formal social security systems developed in the country over that period were exclusive in nature and could not cover sufficient relief when the crisis hit.

659. Fourth, in many different ways, women have been at the forefront in weathering the social impact of the crisis, within and outside the household, as income earners and as workers. The impact has been complex and diverse, and may have varied between region and age within the countries. More men than women became unemployed in Thailand because of the crisis; in Indonesia, no gender difference has been noted.[51] Labour force participation rates declined more sharply for women than for men in the Republic of Korea; on the other hand, more women entered the informal sector to supplement household income. Retrenchments have in some cases been more severe in sectors with many women workers. In Indonesia, the textile industry, which employed mostly women, had already laid off half a million workers by March 1998. In education, detailed analysis of school enrolment does not show any significant difference in school drop-out rates or enrolment between girls and boys in Thailand. For other countries hit by the crisis, those differences are simply not known.

660. Fifth, the impact of the crisis appears to have varied between age groups. In Thailand, youth between 15 and 24 years of age were reported to be most severely affected by the crisis. Prospects for entering the labour market have changed considerably for the youth of Asia. Whereas employment was almost guaranteed earlier, young people are no longer ensured of finding work enabling them to settle and participate fully in society. Across the region, young people have been key agents in social change and political action emanating from the crisis. For children, initial reports of increased child labour in Thailand have been contradicted by results of a recent government labour force survey showing no significant increase in child labour as a result of the crisis. There is no direct evidence of an increase in child labour in Indonesia or the Philippines. The increase in total unemployment may have lowered the incentive for parents to withdraw their children from the schooling system or for children to drop out voluntarily. The elderly have also been affected by the crisis, as some of them were forced to re-enter economic activity at an advanced age to support family income. In the few cases where old-age provisions are in place, such as the Republic of Korea, inflation has eroded the value of their pensions. Social service delivery for the elderly is under financial pressure, further worsening their ordeal.

661. Sixth, there appears to be a higher incidence of violence, crime and delinquency caused by the crisis. In some countries, economic hardship has coincided with social unrest and fundamental changes in society. Social unrest has given rise to serious disruptions in social cohesion and long-term stability. Declining trust, competition for survival and pressure to cope with the crisis may have led to increases in family violence and in the community.

C. Obstacles encountered

662. The economic miracle in East Asia has often been seen as a result of continuous and substantial investment in human resources development and outward-looking economic development strategies. That greater openness of the countries provided great opportunities for economic growth and social well-being. Most countries had seized these opportunities with tremendous success. On the other hand, the openness also eventually exposed inherent weaknesses in governance, employment and social protection systems when the crisis set in. The obstacles encountered were therefore quite often linked to the vulnerability of their economic systems which had made so many of the countries so successful.

663. Obstacles in the pre-crisis period, therefore, primarily dealt with the general orientation of social policy in an environment of unprecedented economic foreign investment and growth. It was believed that poverty, employment and social integration problems would eventually disappear as long as high economic growth rates could simply be maintained. For example, based on this laissez-faire belief in the fulfilment of the market came an aversion against comprehensive employment insurance schemes; it has been calculated that a small contribution of employee's payrolls in the countries of South-East Asia since 1991 would have sufficed to provide all those who lost a job since that period, including the present crisis, with up to a full year's pay of benefits.[52] When the crisis struck, it became evident that social protection systems were insufficient to cover the needs of the affected people. The social policies and programmes in Indonesia, the Republic of Korea and Thailand provided protection for formal sector workers only and their coverage was mostly very limited. Moreover, the countries had little institutional capacity to adequately deal with mass lay-offs and few formal mechanisms to protect people from job losses and their consequences.[53]

664. Other obstacles in the pre-crisis period have varied by country and were determined by the economic stage of development of the particular country. For example, some transitional economies in the region, such as China and Viet Nam, have faced a growing number of retrenched government enterprise workers. Other countries have had to deal with sudden flows of returning overseas workers, such as Indonesia and Myanmar. The Governments of Cambodia and the Lao People's Democratic Republic lost tremendous leverage when suddenly facing the devaluation of their currencies strongly linked to the Thai baht.

D. Lessons learned

665. Several lessons can be learned from the recent experience of the countries of East Asia, particularly those that have gone through a stage of increased unemployment, poverty and social disruption after a period of high economic growth.

666. The first lesson that can be learned from the at times spectacular growth and its positive impact on poverty and employment is that the effects were not always a result of deliberate government intervention but were created by households and families empowered by increased demand and determined to raise their living standards. At the same time, mitigations of the adverse impacts of the crisis on health and education can be traced to the resilience of Asian families in choosing to spend higher proportions of their household budgets on health and education, rather than Governments forcing them to do so. Naturally, the important role of Governments in enabling households to make these decisions must be commended.

667. Second, countries' policy response to the crisis has rightly been not to turn against the forces of globalization but to reduce their vulnerability stemming from increased openness, and to address macroeconomic issues that had made them vulnerable from the onset of the crisis, such as governance, exchange rate policies, public and private debt, and corporate restructuring.

668. A third obvious lesson from the recent East Asian experience is that a swift policy response is required in times of external shock. It has become clear that a

social relief policy, directly aimed at reducing the impact of an external shock on employment, health and schooling systems, needs to be integrated into coping strategy from the very onset of the crisis. This of course requires a strong capacity from Governments to closely monitor those social impacts. To illustrate this latter point, after almost three years from the onset of the crisis, there is still only scarce evidence on the impact of the crisis on household income in Indonesia and even less on employment patterns. Little empirical evidence exists concerning the perceived negative impact of the crisis on crime, delinquency and drug use.

669. A fourth lesson is demonstrated by the response of the Republic of Korea to the employment crisis: it emerged in 1997 that large-scale public works projects can at least temporarily serve as a cushion for laid-off workers. What worked in the early 1930s in the fallout from the United States Great Depression appeared to work again 70 years later in Asia. Those projects appear to have increased domestic demand, while at the same time offsetting the unemployment problem for a while. It was noted above that the Republic of Korea had lacked the large rural backbone that managed to absorb the excess labour from the cities, as was the case in Thailand, Indonesia and other countries in South-East Asia. However, in order to succeed, those public works projects should not add to large overcapacities that currently exist in many industrial sectors in Asia; they should be based on sound economic principles and have clear economic and social benefits to society, and should not be designed to sustain poorly managed private companies with public funds.

670. A final lesson learned from the post-crisis experience of South-East Asia to date is that sustained attention to human resource development is a crucial element of any reform and relief package. Investment in health and education was part of the Asian success story before the crisis. Widespread provision of basic education and health services was a major element of the region's human resource strategy. There was substantial progress in life expectancy and there were declines in infant mortality. The region has achieved an average life expectancy of nearly 70 years. Equally impressive are its achievements in education: the region has attained levels of net enrolment comparable to industrialized countries. Many countries have come close to achieving universal primary education, and secondary enrolment has expanded greatly. Moreover, in contrast to South Asia, the gender gap in primary enrolment has almost been closed.

X. Eastern Europe, the Baltic States and the Commonwealth of Independent States

A. Introduction

671. Progress towards the three objectives of the Summit has been especially difficult in Eastern Europe, the Baltic States and the countries of the Commonwealth of Independent States. These countries have been on the march from centrally planned to market economies without a reliable road map. Unexpectedly, the creation of institutional infrastructure has proven far more difficult and time-consuming than, for example, the reconstruction of physical capital in Germany after the destruction of World War II. The deep transformations in political, economic and social spheres affecting individuals, families, ethnic groups and nations are still in progress and creative energies are still struggling to phase out the structures which held societies together prior to the fall of the Berlin Wall in 1989. The breakdown of the past order has transformed relationships between the State and enterprises, between the state and society and between the state and individuals. Private enterprise, government accountability to society and respect for human rights became defining characteristics of the new order. All that required entirely new institutions, mostly unfamiliar in these societies in years immediately prior to 1989.

672. Progress in building new institutions has been uneven among countries. A group comprising the Czech Republic, Hungary, Poland and Slovenia are in the forefront; their economies are closer to being completely market driven; levels of output are back to what they were in 1989 or are close to being so. The transformation in the political sphere into participatory democracies has been rapid. In Bulgaria, Romania and the Baltic States, changes were slow initially but have begun to speed up in more recent years. In the CIS countries, reform has been slow and even stalled. In some of these economies, total output is now half what it was in 1989 and living standards have plummeted. Even in 1998, aggregate GDP for the CIS region fell by

3.4 per cent, affected by the financial crisis in the Russian Federation that year.[54]

673. The adoption of newly created social policy measures was further complicated by the fact that they had to be introduced amid a transitional recession and continuing decline in living standards. Between 1990 and 1997, real wages fell in all countries except the Czech Republic; the fall ranged between 77 percentage points when compared with the pre-transition period in Azerbaijan to 7 per cent in Slovenia. Inequality in the distribution of income measured by Gini ratios increased in all countries between 5 and 25 per cent, with the exception of the Czech Republic and Slovakia. Wage differentiation was accentuated in all countries and was determined by levels of education, levels of and kinds of skill, the type of employer (whether private or public), the sector of industry and its location, and the age and sex of employees.[55]

674. The fall in output naturally reduced the volume of resources available for social development. Affordability of social programmes became a major issue. Moving away from budgetary subsidies to loss-making enterprises, many economies in transition had to face "implicit" subsidies, such as toleration of tax arrears. In most countries, the massive cuts in budget subsidies were a prelude to slashing state expenditure and substantial reductions in the state funds available for social programmes. Cuts in social spending were particularly sharp in CIS countries. However, in most countries, the termination of subsidies to consumers has proven to be a difficult and painful process. No less difficult has been the process of collecting back taxes and raising revenue. The level of social spending could not be sustained in absolute terms, as output fell in these economies, even though several Governments made determined efforts to preserve their relative share in the budget.

675. The sharper differentiation in incomes produced new classes of poor and rich in societies completely unaccustomed to social polarization. The destruction of the mechanisms of the socialist period for the provision of social services has yet to be replaced by new mechanisms which can mobilize resources for these purposes. The emergence of a large shadow economy has made those tasks all the more difficult. The persistent inability of government to raise tax revenue has made the implementation of social development policies in these countries particularly difficult.

676. The responses to these problems have been threefold: first, greater selectivity in the provision of social assistance targeting the poorest groups, such as children, the elderly, the unemployed and the lowest paid; second, diversification of sources of finance, for example by installing social safety net programmes in the reformed industrial and banking enterprises; finally, raising the efficiency with which resources are used in social development. Studies have been undertaken into the conditions and problems of the vulnerable and the impact of new policies on the poor and the unemployed.

B. Progress achieved

1. Poverty alleviation

677. The drop in output as well as the decrease in average incomes, coupled with wider inequality in income distribution and long-term unemployment, have contributed to drastic increases in income poverty. Poverty has affected all the countries in transition, although with varying degrees of severity. The rates of poverty expansion have varied from country to country, depending on the scale and depth of poverty in the past, as well as the nature and success of macroeconomic reforms adopted at the national level. However, one common element is that mass poverty has emerged as a major social challenge in most countries in transition. Based on a poverty line of $4 a day (in 1990 purchasing power parity dollars), poverty in Eastern Europe and the CIS countries increased from 4 per cent of the population in 1988 to 32 per cent in the mid-1990s.[56] The emergence of mass poverty is a major social reversal, affecting the well-being of millions of people in a profound way. The existing system of social protection turned out to be ill-prepared to cope with the enormity of this social challenge.

678. Among anti-poverty measures, one of the central trends in the second half of the 1990s is the rationalization of social support for the poor and the establishment of legal and institutional foundations for a target-oriented social protection system. At the same time as the focus of assistance shifted to the needs of the poorest strata of the population, new issues, such as defining the target groups and the administration and monitoring of assistance schemes, became much more important.

679. In countries more successfully advancing on the road to a market economy, such as the Czech Republic and Slovenia, improved economic performance has facilitated a halt in the expansion of poverty; in Hungary and Poland, the growth of poverty has significantly slowed down. However, those countries are notable exceptions. In the absence of a sustainable economic turnaround in most other economies in transition, "poverty zones" there have continued to expand. The fall in average incomes and decline in employment opportunities, combined with escalating costs of living due to inflation, compression of wages, payment arrears, reduction in the number and real value of most payments, and the weaker redistribution capacities of the State all contributed to broaden and deepen the incidence of poverty in those countries.

680. The nature of social and poverty prevention policies is increasingly diverging between more successful reformers on the one hand and the rest of the countries in transition on the other. The incidence of poverty differs substantially among them: in Central and Eastern Europe, poverty affects about 20 to 25 per cent of the population (more than 30 per cent in the Federal Republic of Yugoslavia), while in the CIS countries for which data exist poverty is substantially higher, rising from 29 per cent of the population in Kazakhstan to above 50 per cent in Azerbaijan, Georgia, Kyrgyzstan and the Republic of Moldova, and to 90 per cent of the population in Tajikistan.[57]

681. When estimating the scale of poverty in the Russian Federation, the largest country in this group, sharp negative shifts in the living standards of the population after the financial crisis of August 1998 can be observed. Before that crisis, the proportion of the population with incomes lower than the officially established poverty line declined from 24.7 per cent in 1995 to 20.8 per cent in 1997. However, after August 1998, the number of the poor increased by 10 million people, bringing the poverty incidence to about 30 per cent of the population. By January 1999, according to some estimates, the incidence of poverty climbed up to 38.2 per cent of the population.[58]

682. In the Russian Federation and several other CIS countries, wage arrears as well as payment of wages in kind have been increasingly common. Up to 50 per cent of the workforce have not received regular wages, and survive by bartering the "in-kind" payments they receive from employers as well as cultivating small plots of land. As a result of impoverishment, in most countries of the region the line separating the middle stratum of the population from the less affluent population groups has shifted upwards, causing a quantitative shrinkage of the middle-income groups. One of the emerging (and alarming) trends has been a relentless shift of middle class economic activity to the informal sector of the economy, leading to further weakening of institutional structures.

683. Across Central and Eastern Europe and the CIS, poverty is characterized by two main features: its distinct regional pattern and the large size of the so-called "new poverty". In most countries, poverty (and unemployment) levels in large metropolitan areas are much lower relative to the national average. In the areas afflicted by significant underemployment in the pre-reform period, both open unemployment and the poverty incidence have multiplied much faster than in the other regions. In addition to the unemployed, vulnerable population groups include families with many children, people with disabilities, one-parent families, pensioners and other low-income categories of citizens. In the Russian Federation and some other CIS countries, many pensioners are disproportionally affected by poverty due to the low purchasing power of retirement benefits (often much below the subsistence level). In Central and Eastern Europe, those in poverty are mostly families with children, even when one or both parents have a job. Poverty in rural areas is typically higher than in urban areas.

684. In addition to the significant rise in income poverty in the region, there has been an increase in human poverty, directly linked to sharp deterioration in the health of the population as well as to poor nutrition. In many CIS countries, there has emerged a new pattern of poverty-related diseases, such as tuberculosis and diphtheria, including a startling increase in child illness. The decline in real incomes has also led to negative changes in the diet of the population, with cheaper products often substituted for more expensive vitamin-rich foods. Poor nutrition has become a serious problem in such countries as Belarus, the Russian Federation and Ukraine. Even in Poland, where reforms are admittedly more successful, a recent study indicated that 60 per cent of children suffer from some form of malnutrition, with 10 per cent permanently malnourished.[59]

685. Although many Governments are striving to sustain the share of social spending on health care and education at a level achieved in the pre-transition

period, most have been unable to do so. Even when roughly the same proportion of the government budget has been allocated to those needs, there is still a very noticeable decline in the absolute volume of allocated financial resources.

686. Facing increasing poverty levels amid insufficient domestic resource mobilization and significantly reduced social development budgets, many economies in transition have introduced changes into the new design of anti-poverty schemes. During the second half of the 1990s, a number of CIS countries, including Azerbaijan, Georgia, the Russian Federation, Kazakhstan, the Republic of Moldova, Uzbekistan and Kyrgyzstan, took first steps in adopting targeting as a major policy tool to provide state-funded support exclusively to the poorest strata of the population. Most countries declared their intention to create an effective and comprehensive safety net, accompanied by efforts to control costs and waste, leading as a result to more efficient use of resources.

687. Under conditions of precipitous economic decline, the populations of many CIS countries have been forced to develop alternative strategies of survival, largely based on informal economic activities, as well as a wider use of forests, land and water resources, migration to other regions in search of income opportunities and use of any social support provided by local bodies.

2. Full employment

688. A drastic decline in the demand for labour has proved to be a common feature after the transition to market-oriented economy was initiated. Given that hidden unemployment was an integral part of the economic organization of state socialism, some contraction of employment was anticipated as a price to be paid for market-oriented restructuring of the economy and reallocation of human resources towards more productive jobs. However, in the majority of economies in transition, the scale of problems as well as duration and persistence of unemployment have turned out to be much worse than expected. Moreover, despite the tentative revival of output in a number of countries in the mid-1990s, accompanied by the substantial growth of private sector activities, the generation of new jobs has not compensated for those lost in the transition.

689. Since the mid-1990s, the labour markets of the Central and East European countries' unemployment rates were well above the European Union average (more than 10 per cent of the labour force). High unemployment was accompanied by an alarming increase in the numbers of long-term unemployed and/or discouraged job-seekers who dropped out of the labour market completely.

690. The above changes in the labour market situation have influenced the employment policies pursued within the region after 1995. At the early stages of reforms, a more passive labour market policy dominated, which included state-provided job-search assistance and payment of rather generous unemployment benefits. During the second half of the 1990s, targeting of employment policies for specific categories of the unemployed was introduced.

691. Facing budgetary difficulties, many economies in transition have been forced to change the overall design of their unemployment benefit systems and tighten eligibility criteria for obtaining benefits. Most countries have attempted to link the system of benefits paid to the unemployed with active labour market policies in order to encourage more active job search by the unemployed as well as their participation in retraining programmes. Among the various active labour market programmes introduced (retraining, credits for small business, public works, subsidized employment, special programmes for youth), the most often used are subsidized employment schemes for vulnerable groups and support for small businesses.

692. However, attempts by the public authorities to prevent further growth of unemployment have resulted (particularly in many CIS countries) in the emergence of a high level of hidden unemployment due to persistent labour hoarding. While those policies have made it possible to mitigate social tensions and somewhat facilitate the evolutionary development of labour markets, their negative consequences have included inefficient enterprises, decreases in real wages and a disruption of employment incentives.

693. The 1998 financial crisis in the Russian Federation had negative economic and social implications for labour markets and nascent middle classes. In the Russian Federation, since the financial crisis the real personal income of the population has fallen by one quarter, while wages have been cut by 35 per cent in real terms. The tensions on the labour

market have grown substantially as the crisis has affected relatively affluent metropolitan areas. A process of labour shedding has broadened, reflecting both decline in output and a gradual adjustment of the economy to the new levels of aggregate demand as enterprises attempt to cut labour costs. As a result, in the post-crisis period in the Russian Federation, unemployment has increased much more than before the August 1998 crash. In the year after the crisis, the total number of unemployed increased by 1 million, reaching 9 million in mid-1999, or about 12.5 per cent of the economically active population.[60] Despite soaring unemployment, no further large-scale national employment programmes have been introduced in the Russian Federation since 1999. Most active labour-market policies have rather been implemented at the local (mostly regional) level.

694. In the CIS countries generally, the total number of actually unemployed exceeded 13 million in 1998 (or 10 per cent of the economically active population) and the officially registered unemployed constituted from 20 to 30 per cent of the total number of unemployed.[61] The large gap between actual and official unemployment rates can be explained to some extent by the lack of incentives for job-seekers to register with the employment service administration because of the very low unemployment benefits, monthly delays in payments and the complicated registration process.

695. In Central and Eastern Europe as well as in the Baltic States and the CIS, social protection for the unemployed has been facing a persistent shortage of financing. Funds are sufficient neither for payment of benefits nor for job creation and training. In some CIS countries, unemployment benefits are paid in kind. As a result, the actual number of people receiving unemployment benefits as a percentage of those unemployed is constantly changing.

696. In conclusion, social protection systems, faced by declining resources for social development, have been obliged to introduce greater selectivity in distribution of benefits. At the same time, enterprises are facing renewed pressure to become competitive and eliminate labour hoarding at a time when unemployment has already reached levels which are unsustainable both socially and politically. Additional unemployment will furthermore only lead to decreasing aggregate demand with a simultaneous need to broaden and deepen unemployment benefits. The challenge facing the region therefore requires rethinking the nature of market reform and recognizing the growing need for strengthening public institutions to accompany that reform.

3. Social integration

697. Building inclusive societies has been a multidimensional and enormously difficult task for countries grappling with major economic, political and social transformation. In many countries, there are unresolved ethnic problems; in some others, the major problem is one of post-conflict reconstruction. The ongoing processes of democratization have expanded opportunities for more effective and robust participation by citizens in public life both at the community and national levels. However, the extent of civic engagement has remained low in many countries. The proliferation of activities of non-governmental organizations — by itself a positive sign of developing civil society — has often not been accompanied by substantive involvement of citizens in their day-to-day activities. In most cases, there has been a visible weakening of institutions whose main function is to maintain social cohesion, such as labour and youth organizations.

698. In countries of Central Asia as well as some others, including Albania, Azerbaijan and Georgia, formal institutions responsible for maintaining social integration have been increasingly substituted by informal ones, such as the extended family and kin-based networks. In other cases, the informal links established in the pre-transition period have survived, bringing together for these purposes former members of the party elite, managers of state-owned enterprises etc.

699. The intensity and cohesion of family life and care for children have been visibly weakened. In several countries, cases of child abandonment, youth delinquency and suicide have increased. The proportion of infants aged 0-3 in institutionalized care has increased in 10 countries, the proportion being highest in Bulgaria, Romania and Latvia. In Estonia, the proportion grew by 75 per cent over the period 1989-1995, and then doubled between 1995 and 1996.[62] The number of older children living in institutions also increased in the Baltic States as well as in Romania, the Russian Federation and Slovakia.

700. More and more children are being forced to work by poor economic circumstances and serious deficiencies in the education system. Often children are used by criminal syndicates, especially for the sale and distribution of illegal drugs. There is also increasing evidence that children are used in the sex trade.

701. The crime rate among the adult population has jumped dramatically in a number of transition economies. Between 1989 and 1996, the total number of crimes (per thousand population) in Romania increased almost sevenfold, in Bulgaria and the Czech Republic threefold and in Hungary, Lithuania, Slovakia and Ukraine twofold.[63] Organized crime has become a most disturbing feature in Central Asia, the Russian Federation, Ukraine and the countries of the Caucasus region. Growing homelessness, street begging, trafficking in women and children are other signs of social distress.

702. Ethnic cohesion has been upset in a number of countries, leading to armed conflict in some (Azerbaijan, Armenia, Georgia, the Republic of Moldova, the Russian Federation and former Yugoslavia). At the end of 1997, the total number of refugees fleeing ethnic conflicts in countries in transition reached 1.3 million.[64] A tentative peace has been established in some countries (e.g., Bosnia and Herzegovina), propped up almost entirely by outside economic assistance. Violent conflict in Kosovo (Federal Republic of Yugoslavia) was stopped by the intervention of military forces from outside. The resumption of the conflict in Chechnya, Russian Federation, in autumn 1999 led to a substantial growth in the refugee population in neighbouring provinces and countries, and created new threats to an eventual peaceful solution. There were no schemes or formula which hold out the promise of the settlement of ethnic disputes.

703. Some ethnic minority groups in post-socialist countries continue to face discrimination. The most visible examples here are nearly 5 million Gypsies (Roma) in Central Europe. Many employers in these countries are reluctant to hire Gypsies even for unskilled work; the lack of jobs and life prospects lead them to crime as a way of life. In the Czech Republic, Slovakia and Hungary, the number of their children put into special schools for the mentally retarded is disproportionally high, often exceeding 50 per cent; in general, attention given to them in regular schools is reported to be insufficient. The social disadvantages of these ethnic groups must be reduced for them to be integrated into the main society.

704. In some former USSR countries, such as Estonia and Latvia, the separation of communities along linguistic lines into citizens and non-citizens remains an acute social challenge. More than one third or more of the population in those countries belonging to ethnic minorities have to grapple with non-citizen status and lack of respective civil and political rights.

705. Whether open or hidden, discrimination against women has been increasing in many post-communist societies; policy measures adopted to remedy the situation are generally inadequate. Women as a group find themselves in particularly difficult situations, having had to endure a higher unemployment rate than men in more than half of the transition economies. The older comprehensive system of social protection was designed to ensure high rates of participation in the labour force by women who could simultaneously accommodate the demands of family. The incipient new social security arrangements do not permit women those conditions. From one country to another, women are compelled to stay at home. The negative bias of employers against women and workplace discrimination has been apparent in numerous cases, including unfair lay-offs, discrimination in hiring and sexual harassment.[65]

C. Obstacles encountered

706. The incomplete nature of transition from totalitarian States to democratic forms of government and from centrally planned to market economies, and the absence of sustainable economic growth remain major obstacles to social development, depriving economies in transition of resources needed for implementing social development programmes. The earlier regimes had entered the peoples' lives deeply. There is a deep-seated belief in the paternalistic role of the state and little reliance on individual responsibility. Entrepreneurial behaviour has yet to develop extensively.

707. Armed conflicts in a number of countries has further aggravated the situation, resulting in both human and material losses. They have destroyed social infrastructures and whole systems of social assistance and increased the numbers of refugees and forced re-settlers.

708. Pervasive corruption has been another major obstacle. About one third or more (29 per cent in the Russian Federation, 31 per cent in Hungary, 33 per cent in Poland and 51 per cent in Romania) of firms surveyed in economies in the transition paid bribes "frequently".[66]

709. The growth of the grey economy has reduced tax revenue to government and consequently resources for social development. The eruption of criminal behaviour has reduced the confidence of citizens in the effectiveness of government apparatus. Even in the most successful economies in transition, such as Hungary, the number of losers from the transition process far exceed the number of winners, further questioning the legitimacy of new institutions and slowing down the pace of reforms. The peculiarities of the political culture of the societies, including unstable or low esteem of government, constitute another obstacle to the implementation of Summit commitments. In many countries, the level of civic engagement and social and political participation is low, since community organization remains weak and ineffective. The weakness of civil society institutions in turn contributes to the ineffectiveness of government programmes and measures. Universities, government offices and law-enforcement agencies have been slow to change their patterns of behaviour. While the importance of market supporting institutions has been widely recognized, in practice few countries have been able to establish a functioning and effective institutional framework. The lack of transparency and accountability of public servants and government agencies has undermined public trust in new institutions and policies, leading to the erosion of social consensus and support for transition.

D. Lessons learned

710. The reconstruction of fundamental institutions of society in Eastern Europe, the Baltic States and the CIS countries has been more difficult and prolonged than was generally expected. Economic decline, poverty, unemployment and social disintegration over the years since the Summit have been the consequence of those difficulties and delays. There is growing awareness among both policy makers and the public at large that the social dimensions of development are integral parts of the reconstruction processes at work. While the need for short-term and piecemeal measures is well recognized, solutions to problems of poverty, employment creation and social integration are seen essentially as emerging in the long term. The genuine participation and involvement of the public is an essential prerequisite in the search for those solutions. The articulation of the points of view of groups who are in positions of disadvantage is of enormous importance in seeking solutions to their problems. They also need to be partners in processes of decision-making and implementation.

711. Government and processes of governance need to grow much more efficient, effective and accountable to the public. The need is not to go back to the omnipresent State but to make it adequate to handle responsibilities for social and economic development. In many cases, the general weakness of States and Governments in this long period of transition has permitted small groups to capture the benefits of change for their personal benefit, at enormous costs to economic and social development. Assets of working enterprises have been stripped and sold for individual enrichment, incomes earned illegally have been transferred abroad, skills of the long-term unemployed have been lost, and misery and alienation have cost many lives.

712. Within those countries, new institutional capacity must be built to enable efficient and effective functioning. Perhaps nowhere have these been better demonstrated than in the failure of tax administrations to collect revenue to meet the demands of public expenditure. Such failures have in turn pushed large parts of countries' economies into the informal sector.

713. One of the major challenges in post-socialist societies remains the need to enhance civil society institutions and give further stability to civil society. Genuine civic engagement in the life of the community and society is indispensable for strengthening the responsibility of citizens for the management of their communities and for shaping the political and economic agenda conducive to social progress and development.

XI. Latin America and the Caribbean

A. Introduction

714. The countries of this region have very different social situations, resulting from widely varying historic, ethnic, cultural and political backgrounds. This is manifest in divergent indicators of social development: human development index levels range in South America from .893 (Chile) to .593 (Bolivia), in Central America from .889 (Costa Rica) to .547 (Nicaragua) and in the Caribbean from .909 (Barbados) to .340 (Haiti). In two subregions, the two countries with extreme values are contiguous: Chile and Bolivia, and Costa Rica and Nicaragua. Broad differences in socio-economic patterns can also be indicated by Gini coefficients measuring income inequality (the higher the Gini coefficient, the greater the inequality), which vary from over .5 in Brazil to under .3 in Uruguay; the extreme cases, Brazil and Uruguay, are neighbours.[67] Even within countries, there are major differences in levels of economic and social development. North-East Brazil, heavily rural and relatively poor, is often contrasted with the urbanized and more prosperous south.

715. In Bolivia, Ecuador, Guatemala, Guyana, Mexico, Peru and Trinidad and Tobago, different ethnic groups tend to live concentrated in certain regions, giving rise to problems of social integration. Violence and crime have reduced the quality of economic and social life in Colombia. El Salvador, Guatemala and Nicaragua have not completely recovered from severe internal conflicts earlier in the 1990s, causing large refugee flows to neighbouring countries. Honduras and Nicaragua have recently been struck by severe natural disasters (hurricanes and floods). With such high poverty levels and massive external debt encumbrances, they would require 40 years of uninterrupted growth at 6 per cent a year to reach the income and human development levels of their subregional neighbour Costa Rica.

716. In contrast to the States on the mainland, several countries in the Caribbean became independent States in the second half of this century and several have yet to emerge from colonial status. The economies are wide open to the rest of the world and depend heavily in their external trade on former colonial rulers. The Caribbean countries face several other difficulties. External debt is a serious problem. In 1997, external debt service accounted for 82 per cent of GNP in Jamaica, 65 per cent in Barbados and 35 per cent in the Bahamas.[68] These dependent economies are vulnerable to external factors over which they have no control. The small size of these countries makes it very costly to develop national capacity to formulate, implement and monitor policies and programmes of social development. For the same reasons, the costs of providing high-quality services in health and education are very high.

717. The whole region has been affected by declining international terms of trade and structural adjustment programmes. Export quotas, trade barriers and lower in-flows of external capital and assistance have negatively affected the region (Brazil and Mexico are partial exceptions to this pattern, having received large amounts of external investment in recent years, in the case of Mexico through its membership of the North American Free Trade Agreement). The Asian financial crisis of 1997-1998 exacerbated the situation, reducing the availability of external resources to the region, lowering commodity prices further and shrinking markets for exports.

718. Structural adjustment policies have reduced government social expenditure and capacity to promote economic growth. National macroeconomic policies have concentrated on reducing government budget deficits, managing debt-servicing capacity and maintaining viable exchange rates. These policies, along with privatization, have received attention at the expense of social development priorities. During the 1990s, government social expenditure increased in 14 of the 17 countries for which there were data. However, in 1996-1997 the rate of growth in social expenditure decreased to 3.3 per cent from 6.4 per cent in 1990-1995. Higher rates of growth in social expenditure were observed in countries which had lower rates of social expenditure at the beginning of the period. About two thirds of the increase in social expenditure observed in the 1990s in countries of high and medium income levels can be attributed to economic growth. In countries with lower income levels, the increase in social expenditure has resulted from a larger proportion of government expenditure being spent on social development. The recognition by Governments of the potential contribution of NGOs has already led to social progress in some countries and has much promise for the future.

B. Progress achieved

1. Poverty alleviation

719. In Latin America, the percentage of households in poverty fell from 41 per cent in 1990 to 36 per cent in 1997. In some countries, there has been steady progress in poverty reduction from 1990 to 1993/1994 and 1996/1997 (Brazil, 41, 37 and 29 per cent; Chile, 33, 24 and 20 per cent; Panama, 36, 30 and 27 per cent, respectively). In some others, progress has been uneven (in Honduras, 75, 73 and 74 per cent over the same periods). In contrast, during the same periods in some other countries, poverty rates worsened or remained static (in El Salvador, 48 per cent in 1995 and 1997; in Mexico, 39, 36 and 43 per cent; in Venezuela, 34, 42 and 42, respectively). Of 12 countries for which data were available, in nine a lower percentage of households lived in poverty in 1997 than in 1990, and in three there was an equal or higher percentage.[69]

720. Rural poverty rates continued to be higher than urban; however, rural areas have also benefited from poverty reduction during this period. Between 1994 and 1997, rural poverty rates in Latin America as a whole decreased from 56 to 54 per cent, compared with a decrease from 32 to 30 per cent in urban areas. In general, poverty reduction registered in the region in these years only succeeded in reverting to levels that prevailed in 1980. The economic circumstances in 1998-1999 could worsen poverty levels in several countries in the region.

721. In the Caribbean, poverty levels remain high. The subregional average population of households living in poverty is 38 per cent of total population. Variation among countries is considerable: from a low of 5 per cent in the Bahamas to 25 per cent in Saint Lucia, 40 per cent in the Dominican Republic, 42 per cent in Saint Vincent and the Grenadines, 46 per cent in Guyana and 65 per cent in Haiti.[70]

722. An important result of the Summit is the emergence of poverty eradication as a goal of government policy across the region. Most countries in the region now have explicit anti-poverty policies or programmes or at least undertake some activities which address that issue. Nearly all now record statistical indicators of the incidence of poverty on a regular basis. Annual budgetary processes to review the impact of macroeconomic and sector policies on the poor are beginning to be used more often. Also, it has been recognized that monitoring and evaluation require active government participation and collaboration from stakeholders, including civil society organizations.

2. Full employment

723. Levels of unemployment in many countries of Latin America were higher in 1997 than in 1990; the average unemployment rate was more than 8 per cent in 1998, an increase of more than 1 per cent from the previous year.[71] In the Caribbean, unemployment rates in most countries are over 12 per cent, with rates for women and youth higher; despite great strides made by many countries in the region to regain growth, create employment and reduce unemployment nearly by half, the rates of unemployment have generally not fallen below the two-digit levels.[72] Moreover, official unemployment rates underestimate the severity of the problem: a proliferation of jobs without protection, with an increase in modalities of fixed-term flexible contracts and of subcontracts, have resulted from the reorganization of the industrial and service enterprises, usually consequent upon privatization. Although the employment rate has increased, uncertainty and instability in employment have also increased. The strong increase in the informal sector indicates that employment created is characterized by low productivity and low income. Also, a fall in the incomes of unskilled workers threatens the sustainable livelihoods of the most vulnerable sectors of the population.

724. In many countries, growth of net employment has come about not only from the informal sector but also through increases in self-employment. However, the increase of contract work and wider use by companies of various outsourcing methods to subcontractors has had the cumulative effect of decreasing job security and social protection.

725. In the Caribbean, as elsewhere in the region, stabilization and structural adjustment programmes have resulted in retrenchment of workers in the public sector and labour-shedding in private sector enterprises. Two decades of adjustment policies as well as new challenges posed by increasing integration of world markets have eroded the capacity of Governments to play a pivotal role in research, policy development and implementation of labour market policies. As a result there has been a sense of loss of focus and articulation at the national level. Both are deemed essential to guide the national consultation

process on labour market issues and to successfully integrate labour market policies with the macroeconomic framework.[73]

726. During the 1990s, sex disparities decreased in some countries. In both 1990 and 1997, Honduras and Mexico reported lower unemployment rates for women than for men. In Venezuela during the same years, the unemployment rate for women increased from 9 to 14 per cent, while the overall unemployment rate remained virtually unchanged.

3. Social integration

727. As in other areas of social development, the nature and importance of social diversity and therefore of exclusion and the need for integration vary greatly among countries of the region. As noted above, ethnic heterogeneity is most significant in economic and social development in Bolivia, Ecuador, Guatemala, Guyana, Mexico, Peru and Trinidad and Tobago. Recent conflicts in Guatemala and Mexico have drawn attention to the lack of integration of indigenous populations into national economic and social development. In the context of multiethnic, multicultural societies, widespread poverty and unemployment do not augur well to advancing goals of social cohesion and integration. Although legislation and other measures to ensure equal rights and access to basic social services for all are in progress, it remains a major challenge in many countries.

728. The frustration stemming from poverty and unemployment serves as a roadblock, preventing a substantial number of younger people from active participation in the life of society. Many among the youth are better educated than their parents but have to cope with higher unemployment rates as well. Further, the "demonstration effect" and higher consumption levels promoted by mass media increase their exposure to information on new and varied goods and services which come to be regarded as symbols of upward social mobility yet remain inaccessible to most of them.[74] While the social integration of children has received substantial attention, in some countries, particularly in the Caribbean region, the social integration of boys remains an acute social problem. Boys are disproportionally represented among juvenile delinquents, school drop-outs and illegal drug users and abusers; by the later years of secondary school, the drop-out rate of boys is such that the percentage of women exceeds 60 per cent of total enrolment.[75]

729. Other socially excluded groups can also be identified. The recent conflicts in El Salvador, Guatemala and Nicaragua have left large numbers of refugees in neighbouring and other countries; their social integration remains largely unresolved.

730. Most countries of the region have adopted policies to improve gender equality. It is recognized that while since the mid-1980s women have made significant progress, in many ways that progress signified the process of "catching up" with long-established achievements of men. Much remains to be done to ensure not merely equal rights but also equal performance of responsibilities.[75]

731. Many countries have also developed policies, legislation and programmes to protect and support the aged in the context of the International Year of Older Persons. Using an index which reflects disabled persons' perception of how their society treats them (developed by the Danish Council of the Organizations of Disabled Persons), on a scale of 0 (bad) to 100 (good), the index in Latin American countries ranged from 10 (Bolivia) to 30 (Argentina).[76]

C. Obstacles encountered

732. The nature of obstacles to achieving the goals of the Summit varies substantially among these countries. What follows are some broad issues common to many countries in the region. Nearly all countries in the region are highly dependent on external financial resources. In many countries, debt servicing pre-empts large proportions of government expenditure, reducing resources available for public social services and development. In the Bahamas, Honduras and Nicaragua, debt servicing absorbs the equivalent of 35 per cent of exports, while in Barbados it absorbs 65 per cent and in Jamaica 82 per cent. These circumstances and falling international terms of trade in these economies, which are open to the rest of the world, create serious difficulties in mobilizing resources for social development.

733. The countries of the region have adopted strong policies to balance budgets and limit money supply in order to achieve external and internal financial balances. There is no clear evidence that these programmes have led to increased economic activity. They have succeeded in reducing inflation, which has resulted in increased real income for the formally

employed but not for the unemployed and the poor. Structural adjustment programmes have reduced provision for social services. In addition, public services to agriculture, including both financial and technical support, have also been reduced.

734. With the retrenchment of government services and the privatization of government enterprises, income distribution has become more skewed than previously. Tax policies, traditionally used to improve income distribution directly, have not been adequate to counter that tendency. Expenditure policies, such as education, take more time to give results and are more difficult to focus on low-income population groups.

735. Although peace agreements were signed in El Salvador, Guatemala and Nicaragua in the 1990s, recent conflicts in these countries have caused enormous social and economic disruption, including the displacement of large numbers of persons in their own country and the creation of refugees in neighbouring or other countries. The social and economic costs incurred by the countries in question have not yet been fully determined.

736. In the case of the small countries of the Caribbean, several other obstacles can be noted. Small countries are particularly vulnerable to external factors of all sorts that are beyond their control, whether economic, social or cultural. Small countries also tend to suffer more from the loss of vital groups of their population to foreign countries, often former colonial powers, where an individual's economic prospects may be better.

D. Lessons learned

737. Three key issues have emerged from the experience of Latin America and the Caribbean during the last five years, which have major implications for the future. They include the increasing participation of NGOs and their collaboration with Governments, the internalization of poverty concerns in government policy, and the effectiveness of government expenditure, when adequately focused.

738. To make social progress feasible, the amount of national and external resources allocated to social programmes needs to be significantly increased. Debt relief and greater stability of international financial flows would contribute greatly to efforts to achieve social and economic development in the region.

739. To have the desired impact, the allocation of resources for social development must be subjected to clear guidelines on effectiveness, efficiency, focus and accountability. In Brazil and Chile, where the proportion of households living in poverty fell by 12 per cent and 13 per cent, respectively, between 1990 and 1996, there is evidence that adequate policies infused with these characteristics could produce good results.

740. To make the processes politically sustainable, there is need to bring about better collaboration between government and civil society at all stages of policy-making and implementation. Policy formulation in areas other than social development, especially in economic areas, must be coordinated with social policies and objectives. To enlist greater support from the public and increase awareness, social development objectives must be recognized at the same level of priority as that given to economic and other national issues. The capacity to produce useful and reliable data on social indicators must be improved. A holistic approach should be adopted in the design and implementation of policies to increase social integration. Such policies should embrace not only the poor and marginalized but also other vulnerable groups in order to avoid the risk of their situation deteriorating while that of others is improving.

741. Any anti-poverty strategy should include a crisis prevention component and make the needs of the poorest segments of the population a top priority. A pro-poor response to economic shocks should be based on the protection of government programmes which are aimed at the support of the poor.

XII. West Asia and North Africa

A. Introduction

742. The extent to which the objectives of poverty reduction, employment creation and social integration can be achieved in West Asia and North Africa depends very much on peace in the region, sound economic incentives and more liberal economies. Protected state enterprises and international trade and high-cost civil service are serious constraints to rapid development in the region. More satisfactory prices for petroleum have been a main source of strength in many of these economies. Since 1996, annual economic growth rates

in the region have ranged between 4 and 5.6 per cent, a marked improvement over the previous 10 years.

743. Some features of the region make it seem homogenous; it is bound together by one language and religion. However, both economically and socially there are differences among countries captured in the division into three subregions: North Africa (the Maghreb), West Asia (the Mashreq) and the Arabian Peninsula, the countries of which region make up the Gulf Cooperation Council (GCC).

744. The assessment below is presented within these contours.

B. Progress achieved

1. Poverty alleviation

745. There is no robust evidence to assess changes in the extent and intensity of poverty in the region. Varying rates of poverty have been estimated for a few countries,[77] but there are none for the years since the Summit.[78] The incidence of poverty in the region is lower than in South Asia and sub-Saharan Africa but higher than in the East Asia and the Pacific and Latin America and the Caribbean regions.

746. The percentage of the core poor declined in Egypt between 1990-1991 and 1995-1996.[79] Real wages began to pick up after 1994. It is likely that poverty rates fell in Egypt between 1995 and 1999. Falling oil prices until the end of 1998 would have contributed to increase poverty in GCC countries and the Syrian Arab Republic. The severe crisis in Iraq caused by sanctions imposed against that country has reduced standards of living generally and increased poverty. Severe drought adversely affected the growth of output in Morocco in 1996-1997.[80] It is most likely that the incidence of poverty in the region has increased over the decade, with isolated patches of prosperity.

747. The effects of structural adjustment programmes have probably been to reduce expenditure for the benefit of the poor. An exception is the increase in the proportion of expenditure on social services in Egypt in the course of structural adjustment programmes. The effects of the abolition of subsidies on food prices has to some extent been attenuated by programmes that are better targeted to benefit the poor.

2. Full employment

748. The scarcity of productive employment is severe in the West Asia and North Africa region. In Algeria, Jordan, Lebanon, the West Bank and Gaza, and Yemen, about one fifth of the active population is unemployed.[81] In Iraq, unemployment may be even higher.[82] The demand for labour has failed to increase for three reasons. First, falling oil prices have reduced demand in GCC countries. Second, reductions in public expenditure in pursuit of structural adjustment programmes have reduced demand from the public sector, which was formerly a most important source of employment, especially for more educated young persons. Third, there is no large private sector that could have created a large number of new employment opportunities. Finally, stricter immigration policies of the European Union have drastically reduced employment opportunities there. As a result, there are very few openings for working age populations, which increased rapidly consequent upon the fall in mortality rates two decades before. Both unemployment and underemployment have probably increased in West Asia and North Africa.

3. Social integration

749. Social integration in the regions is strong, though subject to some stresses more recently. Divisions on the basis of income, ethnicity or religion are not as severe as elsewhere. Inequality in the distribution of income is not extreme.[83] Land reform programmes have reduced inequalities in the ownership of assets. Government expenditure on education and health is relatively high, providing roughly equal opportunities for persons to gain access to human capital.[84] In Egypt, the proportion of government expenditure on social services has increased over the five years from 1995.

750. The vast majority of the people belong to one religion. Islamic charities (Waqf and Zakkat) are important contributors to social welfare.[85] The evidence, incomplete as it is, confirms that large sections of the population, especially the aged and widows and children, benefit from those programmes. Family bonds are strong, especially in rural areas, and networks of mutual support groups in urban neighbourhoods and villages continue to keep communities together.

751. There are two forces that threaten to reduce well-established bonds of social integration. The first is

rapid urbanization, making families smaller and less disposed to assist vulnerable neighbours.[86] The second is the debate on the nature of Islam, which has sharpened in the region. This debate overlaps and is enmeshed with other debates on social equality and democratic institutions that pose challenges to older norms and values.

C. Obstacles encountered

Population growth

752. Rates of population growth are higher in this region than in any other region. The total fertility rate in the ESCWA region was estimated at 6.2 births per adult woman in 1992. Population pressure is high in a physical environment that is fragile. Much of the land is desert and water is scarce, expensive to obtain and often irreplaceable when supplied from prehistoric underground lakes. Investment required to provide education and health services is high. Economic growth needs to be accelerated to absorb the rapidly growing labour force. Resources on that scale are difficult to raise.

753. The physical environment in the region has always been fragile. Large tracts of land are desert and uninhabitable. The situation has been compounded in some parts of the region, particularly the Maghreb, by droughts, which in recent years have become more frequent and more severe. Standards of living of rural populations have declined, generating pressure for internal and international migration.

Issues in governance and poverty reduction

754. The state plays a central role in all spheres of social life. For decades, government was the single most important source of employment for the educated. Though salaries were low, public employment offered security of tenure and relatively generous fringe benefits, including pensions. In some countries, until recently all university graduates were assured of a job in the public sector.

755. The state is generally highly centralized. Although more countries have decentralized the administration of services, especially social services, there is still considerable reluctance to devolve power, including power to local governments. Often, local authorities are appointed by the central government. Even where they are elected, their autonomy is limited by the exercise of power by holders of central government office.

756. The non-governmental sector plays a minor role in public affairs, despite considerable progress during the last few years. In the Maghreb countries, new legislation on NGOs together with support from international donors has permitted the growth of that sector, but it is still in its infancy. Laws regarding voluntary associations are still not conducive to the growth of a lively and pluralistic society in which voluntary organizations provide services and represent collective interests. Trade unions function in the region, but in many countries they operate subject to government controls and constraints.

757. Governments in many countries are stable and lasting. However, there are no well-tried institutions that can make succession and transition smooth and uneventful.

Sex disparities in education

758. Disparities among men and women in access to social services, including education, and to political power have been sharp.

759. Adult female literacy continues to be lower in this region than in any other developing region except South Asia, and it is not expected to improve in 2005.[87] Girls do not go to school because of the eventual lack of employment opportunities for women, reducing returns to education, and cultural prejudices, which especially in rural areas expect women to stay in the domestic rather than the public sphere. Schools do not provide facilities separately for girls. But female education is perhaps the single most effective incentive for social development at the present time. An educated mother will have fewer children and take better care of those she has, teach them basic hygiene and encourage them to attend school. She will be more productive on the family farm and have greater chances of finding employment off the farm.

Unresolved conflicts

760. Unresolved conflicts hinder social and economic progress. In the countries directly affected, they discourage investment, promote the out-migration of the most productive and innovative individuals and cause widespread destruction in social and economic infrastructure. In the whole region, resources are directed from social and economic development to

military purposes.[88] The people of Iraq and Palestine, who are refugees living in camps, face the most severe obstacles to achieving the objectives of the Summit. They also run the risks of falling victim to conflicts again.

D. Lessons learned

761. From the experience in West Asia and Northern Africa, four sets of lessons can be drawn. First, substantial equality in the distribution of income and wealth, fairly equal access to social services, little conflict on religious affiliations and informal networks of support and solidarity have served the Arab world well. These informal ties should be strengthened. Policy makers must aim to prevent inequality from sharpening. Informal networks contribute to building social welfare institutions. In some countries, Islamic charities have been prominent partners of the national social welfare agencies. In others, a rigid distinction has been maintained between religious institutions and public social welfare agencies. Whatever the situation, because of the large amount of resources that they mobilize and the impact that they have on social welfare, it would be valuable for them to function with greater efficiency and effectiveness.

762. Second, more information on the incidence of poverty and the way policies and programmes function to reduce poverty would be very useful. Several countries, including Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco and Tunisia, have undertaken poverty assessment studies, sometimes with assistance from the United Nations system.

763. Third, the contribution of the state to the formulation, implementation, monitoring and evaluation of social development policies has been substantial. Special emphasis now needs to be laid on coordination mechanisms and data collection. Coordination and evaluation are especially important in those countries, where the centralized state is strong and there are several public actors. The need to monitor and evaluate regularly the impact of policies and programmes cannot be overemphasized. However well formulated they may be, policies and programmes can have unexpected effects. Changing contexts and the incomplete knowledge of local cultures may collude to render ineffective the best policies. In many of the Maghreb countries, social observatories have been established to monitor the impact of the social strategies implemented. In other countries in the region, the quality and quantity of data on social development and poverty have improved markedly. Yet publicly financed programme evaluation is rare. When it is not done, more rapid and less costly social assessment would be a desirable alternative.

764. Finally, there is widespread apprehension, in these societies, that their cultures may be radically altered by unfettered globalization. It is feared that Westernization will introduce consumerism, raise criminality, weaken family ties, undermine religious commitment and debase traditional social values. Globalization, arriving in many ways — from tourism to the growing availability of goods produced in the West — is perceived by many as potentially threatening to the social and cultural integrity of their societies. The crucial lesson seems to be the need to acquire the capacity to profit from globalization without renouncing the core values and norms of their culture. This is a very complex challenge, which requires, among other things, institutional change, access to information and better education.

XIII. Sub-Saharan Africa

A. Introduction

765. There is consensus among policy makers in sub-Saharan Africa and their development partners that development efforts should be primarily directed towards reducing poverty, which is pervasive in the continent. Since 1995, per capita income has grown in Africa, although slowly, after one and a half decades of stagnation or decline, except in Botswana, Equatorial Guinea, Mauritius and the Congo, where growth has been maintained over a longer period.[89] Beginning in 1980, GDP per capita in sub-Saharan countries declined by 1 per cent per annum; people in 32 countries were poorer in 1999 than in 1980.[90]

766. The long and widespread decline in incomes was not accompanied by a fall in some indices of social development; on the contrary, under-five mortality rates in 18 countries were lower in 1995 than in 1980, there were no differences in mortality rates by sex, the proportion of adult illiterate persons fell from 60 per cent in 1970 to 40 per cent in 1995, girls have been enrolled in school at rates higher than boys, the proportion of people with access to safe water rose

from 20 per cent in 1975 to 40 per cent in 1996 and infant mortality fell from166 per 1,000 live births in 1960 to 97 per 1,000 in 1994.[91] There is no evidence to suggest that these tendencies have not continued substantially unchanged. How these economies gained these improvements in such adverse circumstances begs explanation.

767. The achievements in education need to be read with some caution, as there is evidence of large reductions in expenditure on education. In Sierra Leone in the 1990s, real per capita expenditure on education was 13 per cent of the level in the 1980s. Textbooks were reported to be rarely available in Benin.[92]

768. Yet poverty is pervasive in sub-Saharan Africa: 42 per cent of all people live on less than $1 a day expenditure. That number rose by 40 per cent between 1987 and 1993, in contrast to the experience in all other developing regions. The region is home to 220 million poor, and if current trends persist the number of Africans living in poverty is expected to increase to 300 million by the year 2000.[93] Four out of every five countries with high population growth, low income, low literacy and low life expectation at birth in the developing world are in Africa. A wider gap has grown between the poor and the poorest people, indicating a loss of livelihood for those at the bottom of the income ladder at a faster rate than the rest in poverty. There is much variation in the incidence of poverty among regions and countries: in north Africa, 22 per cent of the population have an income below $54 per month; and in sub-Saharan Africa, 51 per cent have an income below $34 per month. The majority of the poor live in rural areas, earning livelihoods out of rain-fed agriculture, vulnerable to natural calamities, including drought, floods and pests. Urban poverty itself is growing. There are more poor women than men.

769. Internal conflict in several countries has been an insurmountable barrier to the eradication of poverty and improvement in social conditions. The largest proportions of the poor are in Angola, Ethiopia, Mozambique, the Sudan and the Democratic Republic of the Congo — all ravaged by continued civil war and internal strife. The spread of the HIV/AIDS epidemic has imposed particularly heavy burdens of poverty and ill health in some areas of the continent — Kenya, South Africa, Uganda, Zambia and Zimbabwe. Debts to external creditors amounting to some $165 billion are a burden too heavy for Africa to bear in its journey to development. In the Congo and Mozambique, debts to external creditors amount to more than three times GNP.

770. A striking feature of international economic development during the last two decades has been the continuing marginalization of Africa in a world that has grown closer together, whether measured by trade originating from and destined for Africa, capital flows or labour migration. Concerted efforts will be necessary to bring Africa back into the processes of world commerce and financial markets.

771. Throughout Africa, there is lack of capacity in the public sector to manage sustained growth and development over time. Structural adjustment programmes have reduced the size of bureaucracies in sub-Saharian Africa where in 1996 one per cent of the population were civil servants compared to three in other developing countries and seven in OECD countries.[94] Nor is there a vibrant and large private sector, unlike in most other developing regions. Consequently, the responsibilities of government in Africa are, paradoxically, heavier than in other developing regions. That responsibility is not matched by capacity. The policies of stabilization and structural adjustment during the last several years have set back the process of developing an adequate public sector. There are some positive developments in civil society, such as the growth of self-help groups and community-based organizations, which are encouraging but still on a scale wholly inadequate to the enormous tasks on hand.

772. For Africa to reduce poverty to half its current level by 2015 and make progress in social development, it is necessary for its economies in Northern and Southern Africa to grow by 5 to 6 per cent annually, in Central Africa by 6 to 7 per cent and in East and West Africa by 7 to 8 per cent. That would require the efficient investment of some 33 to 35 per cent of the annual GDP of these countries, clearly indicating, among other things, the need for substantial increases in domestic saving and for investment from overseas.[95] These magnitudes are indicative of the enormous effort needed in Africa and the commitment that the rest of the world must make for the objectives of the World Summit for Social Development to be realized in Africa during the next two decades.

773. Eradication of poverty, employment creation and social integration are unlikely to be achieved with high

rates of economic growth alone. There will need to be policies for a reasonable distribution of gains from that growth, both in physical and human terms. Fundamentally important for that combination of policies are programmes to provide access to capital assets by all, irrespective of sex, and greater efficiency in the delivery of social services.[95]

774. Policies for poverty eradication, creating employment opportunities and social integration, must be matched by the availability of resources. A repetition of past practices of ambitious plans and policies without matching resources and competence will result in the waste of those resources that can be husbanded. Those policies ought not to contain features which work to the detriment of the achievement of these objectives. Overvalued exchange rates and administered prices on agricultural products in the past have worked against the poor. It is also necessary that policies adopted should have wide acceptance among the public, having been formulated after consulting them. It would be in the public interest to organize themselves in civil society to monitor progress in implementation. More information on the economy and society, including poverty, unemployment and integration, would indeed be helpful in combating those last traits.

B. Progress achieved

1. Poverty alleviation

Overview

775. In Botswana, Kenya and South Africa, poverty eradication programmes are an integral part of national development programmes; in Lesotho, Namibia and Zambia, specific national poverty eradication programmes have been introduced. Poverty eradication programmes commonly include the encouragement of self-employment, the provision of microfinance, the promotion of microenterprise projects and the identification of poverty zones in both rural areas and suburbs. They also highlight the need to develop access to basic social services and create a safety net for the poorest (Ethiopia, Malawi, Mauritius, Mozambique, South Africa and Zambia). In Botswana, Kenya, Malawi, Mozambique and Swaziland, separate funds have been established for poverty eradication programmes. In Ethiopia, Kenya, Lesotho, Malawi, Namibia and Zambia, there are in addition mechanisms for monitoring the implementation of programmes. Participatory development, the strengthening of communities and the involvement of NGOs are generally emphasized. However, the evidence regarding the effectiveness and efficiency of NGOs is itself in question.[91] The analysis and plans suffer from three weaknesses: it is necessary to identify more clearly the causes of poverty so that policies can be effective; the targets set are too ambitious and may result in frustration when not achieved; and finally, there are no well defined implementation strategies and means of mobilizing adequate resources.

East Africa

776. In Uganda, poverty is widespread, especially in the northern and eastern parts of the country. There have been some gains in reducing poverty in the central and western regions, where incomes have increased consequent upon liberalized policies relating to coffee production and sales. In Kenya, there has been no significant reduction in poverty, which still affects rural populations disproportionately. In Malawi, poor economic performance in 1998 and higher food, fuel and other consumer goods prices have increased poverty markedly. Most households are net buyers of maize, the staple diet. The rise in maize prices has contributed to a rise in the incidence of malnutrition and disease, especially among children and women. In all three countries, the HIV/AIDS epidemic has killed off young skilled and productive members of the labour force, both reducing production and raising the need for social service expenditure.

777. The war between Eritrea and Ethiopia continues to drain resources, otherwise available for development and poverty reduction. The war has also prevented the implementation of programmes of humanitarian relief and post-war reconstruction in Ethiopia paid for by United Nations agencies and other donors. In Ethiopia, no more than 24 per cent, 26 per cent and 16 per cent of the population have access to health, safe water and sanitation facilities, respectively.

Southern Africa

778. In South Africa, under decades of apartheid, the majority black population did not share in the advance made by the white population in rising standards of living . The new Government elected democratically in 1994 has vigorously followed policies to reduce poverty and inequality. The Government is under

enormous pressure to satisfy the high expectations of the majority of the population while investing for sustained growth. There have already been some improvements in housing, sanitation and education for the poor in many parts of the country. In Zimbabwe, the steep decline in standards of living during the last few years has given rise to food riots and agitation by labour unions for higher wages and strikes in 1998. The Government has helped to reduce poverty in some degree by increasing support services to smallholder agriculturists.

West Africa

779. The World Summit for Social Development galvanized national authorities in these countries to give high priority to poverty eradication. The Gambia, Ghana, Mali, Mauritania and the Niger have articulated and are implementing poverty eradication strategies. In 1998, Mali and Niger organized round table conferences at Geneva specifically to mobilize resources for poverty eradication. Encouraged by the Summit and responding to domestic demands as well as the wishes of overseas donors, high priority was given to poverty eradication in development strategies in Benin, Cape Verde and Côte d'Ivoire. Burkina Faso and Guinea formulated poverty eradication programmes in the early 1990s.

Major constraints

780. There are major constraints to the implementation of policies and programmes for poverty eradication. Capacity for formulating and implementing policies and programmes is wholly inadequate to the tasks at hand. This has been made worse by the impact of the HIV/AIDS epidemic in many parts of Africa. According to a Joint and Co-sponsored United Nations Programme on HIV/AIDS (UNAIDS) and WHO joint report, it is estimated that 12.2 million African women and 10.1 million African men aged between 15 and 49 carry the virus today.[96] The average life expectancy at birth in the nine African countries with an adult HIV prevalence of 10 per cent or more is projected to reach 48 years in 1995-2000, whereas it would have reached 58 years in the absence of AIDS, a loss of 10 years. This group includes Botswana, Kenya, Malawi, Mozambique, Namibia, Rwanda, South Africa, Zambia and Zimbabwe.[97] The economic and social infrastructure in rural areas cannot bear the burdens of policies fighting poverty, which require, at least initially, substantial increases in agricultural productivity. Infrastructure now in place is inadequate to raise productivity in agriculture, which is mainly rain-fed. A long-term decline in the international terms of trade for commodities exported from African countries, especially minerals, has reduced real national income, cutting standards of living as well as savings to finance investment. The external debt burden has reduced resources available for development and cut back on the capacity of the public sector to provide resources for planning and implementing policies for poverty reduction. Flight of capital chased away by internal conflicts and unsound economic policies have made these situations worse. Social strife, political instability and internal warfare in several countries, including Angola, Benin, the Congo, Eritrea, Ethiopia, Liberia, Mozambique, the Niger, Rwanda, Sierra Leone, Somalia, the Sudan, Uganda and the Democratic Republic of the Congo during the last decade have prevented development activities to eradicate poverty.[98]

2. Full employment

781. Employment and unemployment are difficult concepts to quantify in the African context, as in most other developing economies; yet all evidence suggests that in all countries, productive employment has failed to keep pace with the growth in labour supply, which has grown at 3 per cent per year. Levels of wage employment have fallen, real wages have declined and living conditions have deteriorated. Estimates in most countries show an unemployment rate of 20 to 30 per cent, women unemployed at twice the rate of men and young persons at 25 to 40 per cent of their age cohort.

782. In 1996/97, employment fell in the Central African Republic, Côte d'Ivoire, Ghana, South Africa and Zambia, and grew significantly below the rate of growth of the labour force in Burundi, Sierra Leone and Zimbabwe. Employment grew exceptionally fast in Botswana and Mauritius.[99]

783. In most countries in Africa, people are self-employed. They do not "lose jobs" as the volume of work falls and incomes fall. It is not uncommon to read of open unemployment rates of below 5 per cent in sub-Saharan Africa and even below 1 per cent in many countries.[100] Steps are being taken to improve the quality of these measurements.

784. Policy makers have viewed income poverty and unemployment with great concern.[101] In most countries, policies are being implemented to promote productive employment, as indicated at the African Employment Planners Conference held at Pretoria, South Africa, in January 1997. These include reform of institutions; the promotion of small-scale enterprises; providing microcredit; modernizing agriculture; and supporting the informal sector and vulnerable groups.

785. Structural impediments and local circumstances have stood in the way of raising productive employment rapidly. The natural rate of growth of the labour force has not been matched by vigorous economic growth to generate adequate opportunities for employment. In some countries, resources have been diverted to fight emergency situations arising from bad weather and civil strife. Labour productivity and incomes have remained generally low.

786. Several measures have been suggested for promoting productive employment. Improving conditions in smallholder agriculture and more trade and investment both within and from outside the subregion are expected to promote employment. Legislation to eliminate discrimination against women in the labour market would help integrate them into the mainstream of economic activity. Stronger institutional structures for tripartite arrangements among government, the private sector and worker associations are expected to help create an environment enabling faster growth of employment.

3. Social integration

787. War and other civil strife have torn societies apart and destroyed both physical and social infrastructure. War over several decades in Angola and over shorter periods in Burundi and the Democratic Republic of the Congo has killed and displaced large populations. Wars in Guinea-Bissau, Liberia and Sierra Leone have torn apart their social fabric.

788. In all these countries, budget allocations for social welfare have been drastically reduced. Low and declining allocations for social services also have been reported from Benin, Cameroon, Kenya and Zambia. In Kenya and South Africa, education received 80 per cent of the total government budget allocations for basic social services.[102] Falling and low prices for petroleum until mid-1999 combined with misallocation caused by corruption has reduced resources available in Nigeria to pay for social services.

C. Obstacles encountered/lessons learned

789. The hardest lesson learned from the experience in Africa in achieving the objectives of the Summit through economic and social development is the inadequacy of existing policy prescriptions to respond sufficiently and effectively to the challenges of economic development and the improvement of social conditions in Africa. If the principal problem is one of insufficient resources, it still begs the question why resources have not been mobilized domestically and why foreign investment inflows have been so low. Debates about refinements in poverty lines and the most satisfactory criteria for drawing them are less important where there are only small islands of prosperity and the population at large is generally poor. It is entirely possible that existing paradigms may not provide adequate strategies and that new insights should be sought by examining the situations from diverse viewpoints.

790. Institutions fundamental to economic and social development have been either absent or wholly inadequate in many countries in Africa. Of these, none is more important than the institution of government. In several countries, Governments have ceased to be effective due to civil wars or military conflicts, and in others mismanagement or corruption is reported to be endemic. And some Governments have generally been weakened by policies to restrain public expenditure under stabilization and structural adjustment programmes. Poor pay and unsatisfactory conditions of work in the civil service have undermined integrity. While these problems are not exclusively those of Africa, their severity commands immediate attention.

791. Weak or dysfunctional Governments have meant in the first place an absence of the rule of law, which raises transactions costs so high as to inhibit all but the simplest and the most short-term of investments. In the absence of established judicial procedures that work dependably and without undue delay, contracts cannot be enforced and foreign investors look for less risky opportunities elsewhere. The establishment of democratic forms of government, more recently in such large countries as Nigeria and South Africa, can be expected to improve conditions. The delivery of social services can be ineffective because of absent teachers,

hospitals without drugs and the misdirection of resources. The important role of and intervention by responsible citizens and non-governmental organizations need to be strengthened in this regard. Decentralized government, higher levels of general education and more active participation in government can be expected to bring improvements.

792. There is no alternative to efficient and active government in the development effort in Africa. There is no vibrant private sector in most African economies, whose proverbial energies can be unleashed to develop the continent. Public health, primary education, transport and communication services, the establishment of justice systems, the establishment of regulatory mechanisms and many more functions are the responsibility of Governments, which if not performed leave these economies without the institutional infrastructure that is fundamental to good governance, economic and social development and the enjoyment of human rights.

793. It has been unrealistic to expect rates of economic growth of the order of 5 to 8 per cent per year in most of Africa. Highly desirable as these objectives are, they now seem utopian in most instances. In the very few cases where these targets have been achieved, every effort must be made to maintain those high rates. Each of the other economies needs to be studied with as little prejudgement as possible to identify those policies which would raise rates of economic and social development. Countries whose ecosystems are fragile run the risks of swift deterioration and therefore need special attention.

794. The principal mechanism for achieving these goals must remain faster economic development, mainly because there is little to redistribute in Africa. Poverty on a widespread scale will not loosen its grip until unskilled labour earns wages that can pull families out of poverty. Productivity of unskilled labour will begin to rise when workers are healthy and literate and there is demand for their services.

795. None of these tasks will be accomplished without peace and security. African leaders have worked through the Organization of African Unity to establish mechanisms for conflict resolution in Africa; and in regional initiatives, such as the intervention of ECOWAS member States in West Africa, to bring peace in Liberia, Sierra Leone and Guinea-Bissau, and of leaders in East and Southern Africa to resolve several conflicts in that subregion. Political and community leaders as well as intellectuals and opinion makers in each country have vital roles to play in establishing peace, viable governments and thriving economies.

796. In all this, the rest of the world has heavy and undeniable responsibilities. In a generation remarkable for opening up the world for trade in goods and services, for larger and faster capital inflows and outflows and for the freer movement of people and knowledge, Africa has been left in relative isolation. The promises held out in the 1970s of providing official development assistance to developing countries in general and to the least developed countries in particular have not been fulfilled. Technical cooperation provided by the United Nations and its affiliated agencies has been cut back under pressure of resource constraints. Benefits from new technology, involving computers, satellites and new flows of information, have largely bypassed Africa. Internal conflict, political instability and inadequacies in infrastructure have kept private capital from flowing into Africa. The World Summit for Social Development provided an opportunity for the world to focus its attention on Africa and commit itself to integrate Africa into the process of world development. Much has not been delivered during the last five years. It is time to make a renewed commitment.

XIV. Organisation for Economic Cooperation and Development countries of Western Europe, United States, Canada and Japan

A. Introduction

797. Progress towards the three principal objectives of the Summit in OECD countries has generally been eased by sustained economic growth, over 2 per cent per year, in all of them, Japan excepted. In all, there was tension between maintaining price stability, which has generally received high priority and full employment. All economic and social development policies have been subject to the major constraint of reducing government expenditure. Unemployment has been low in several countries, but persistently high in others, such as Austria, Finland, France, Greece, Italy, Ireland and Spain.[103]

798. Rates of growth of output have been small or negative in Japan, except in 1996, yet unemployment in Japan remained lower than in most countries in the group. New developments in labour markets have reduced job security. Fast growth in OECD countries has generally been accompanied by a more unequal distribution of income, marked by a fall in absolute incomes of those at the lowest end of the income distribution in some economies. There have been continuing policy shifts in regard to poverty eradication, marked by attempts to reduce dependency on government to do so. Labour market and social security reforms, together with more effective delivery of social services, have all been undertaken to promote social integration. However, deeper social divisions in society and the integration of recent immigrants into the mainstream of society have remained major challenges to social integration in these countries.

799. Three main strands stand out in the social development policies of OECD countries, as they have progressed towards achieving the objectives of poverty eradication, full employment and social integration. The first has been to restrain government expenditure in order to reduce current account deficits in government budgets. In support of that objective, ways and means have been sought to increase productivity in providing social services. The second, complementing the first policy strand, has been to increase self-reliance on the part of citizens who earlier had been supported extensively by government. The third strand has been to seek effective and efficient ways of responding to the needs of the ageing population, while keeping the previous two strands intact.

800. In implementing social development policies, there has been a predominant concern with the efficiency and effectiveness with which government resources have been used. Long established policies and practices in health policy have been questioned because they tend to raise costs when compared with other countries. New mechanisms for the delivery of primary and second-level education services have been experimented with, mainly in order to increase the efficiency of resource use and ensure effectiveness of programmes. The principle of subsidiarity has frequently been invoked to enlist the support of local government institutions in formulating and implementing social development policies. Civil society organizations have been important instruments in ensuring that citizens receive good value for public expenditure on social services.

801. Developed countries in the European Union are distinguished by the extent to which social development policy in those countries is influenced and determined by recommendations and decisions of supra-national organizations. For example, the European Court of Justice has made binding decisions and rulings in all areas in which European Union law applies, including compliance with fundamental social rights, labour rights and non-discrimination laws.

802. Changes in the real economies of many of these countries have also posed new challenges to policy makers. The application of computer and information technology in general to processes of production and distribution and other factors has created new divisions in labour markets, producing groups of wage earners who have failed to participate in the growing prosperity of those economies. Raising their incomes and integrating them into the mainstream of economic life are major responsibilities that those societies have posed anew. Excepting Japan, other OECD economies have grown at robust rates in the years since the Summit. Stagnation in the Japanese economy has brought forth unfamiliar social problems in that society. Workers who had been secure in lifelong employment, often with one employer, have been faced with problems of unemployment. In all economies, enterprises have tried to increase flexibility and productivity by reducing the security of workers in employment.

803. That flexibility in labour markets was bought at the cost of heightened insecurity in employment. Short-term employment contracts and cutbacks in non-wage benefits have become more common than earlier. Membership in trade unions has not increased markedly over earlier years. Those changes are a part of the growth of the informal economy in OECD countries. High divorce rates and single-parent families have reduced solidarity in family life and contributed to increased sense of insecurity among individuals.

B. Progress achieved

1. Poverty alleviation

804. Continuing economic growth, rising incomes and falling unemployment in general in OECD countries have helped reduce poverty in them. In the United

States of America, some 15 to 17 per cent of the population was reported to live in poverty in 1998. One reason for the persistence of poverty in those countries is the more unequal distribution of income that has emerged with changes in economic structures and the skill mix demanded by the new techniques of production.[104]

805. In economies undergoing persistent expansion, it is normal to expect that all wages will rise and households at the lower end of the income distribution will gain in relation to the mean and the top quintile of incomes. The contrary has been in evidence in the United States in recent decades. After-tax income of the top 1 per cent of income receivers was equal to that of the 100 million income receivers at the bottom in 1994, compared to the bottom 49 million in 1977. The average after-tax income of the poorest 20 per cent of households was $8,800 in 1994 compared to $10,000 in 1977.[105] Ten per cent of the population was reported to go hungry or lack consistent access to food.[106]

806. Policies for assisting poor populations have been undergoing change for several decades, as social attitudes to poverty have changed, the cost of assistance has risen dramatically and the conviction has grown that welfare assistance may have spawned a culture of dependency. In the United States, changes were introduced with the Personal Responsibility and Work Opportunity Act of 1996. The Government's goal with the new scheme was to chart a new course for welfare to work, promote parental responsibility and give states flexibility to run programmes that will help families turn welfare checks into paychecks.[107] State governments have tried new ways of addressing these problems. Reform under the Act and employment growth in the United States of America has contributed to making welfare caseloads lower in 1998 than at any time in the previous 30 years. In December 1998, there were 7.6 million people on welfare, a reduction of 38 per cent since 1993 and 46 per cent since the Act became effective in 1996. Policies have been put in place to encourage home ownership among the poor and to reduce the concentration of the poor in public housing schemes.

807. In contrast to other regions, there is little absolute poverty in OECD countries. In about half, even relative poverty has decreased. In the other half, relative poverty — defined as living with incomes below 50 per cent of the median income — has been increasing since the mid-1980s.

808. Except in Denmark, France and Germany, inequality in the distribution of income both before and after taxes and transfer payments has tended to increase. Taxes and transfer payments by government have had a substantial redistributive effect on disposable income and the alleviation of poverty. The distribution of income before taxes and transfer payments is significantly more unequal than after. Large portions of the population, including the disabled, the unemployed and pensioners, do not receive market incomes but instead receive transfer payments from government. These payments have significantly reduced the proportion living in relative poverty.

809. The number of people per household with remunerative employment is one of the most important determinants of the level of relative poverty of individuals. In households without any employment income, disposable income is substantially lower than in other households, as the former depend on some form of social welfare or cash benefits. The proportion of such households is estimated at 20 per cent and is increasing. In a few countries, the average income in this group has fallen below the level of relative poverty (50 per cent of the median income). In a majority of countries, however, the average disposable income after public transfers is above 50 per cent, with average levels in Denmark, France and the Netherlands of about 60 per cent.

810. Wage incomes are missing because of unemployment, early retirement and low labour force participation. Lone-parent families, primarily in female-headed households, are generally more exposed to unemployment and lower-paid jobs. Governments have helped lone-parent households with financial incentives to seek employment by providing employment opportunities through active labour market measures and by providing child-support services.

811. Another source of relative poverty in OECD countries is low-paid employment. Ireland, the United Kingdom and the United States have comparatively higher levels of low-paid employment and also some of the highest relative poverty levels. In contrast, in Sweden, Finland and Belgium, levels of low-paid employment and poverty rates are both low. In countries with generous welfare provisions that compensate for low income levels, including Denmark

and the Netherlands, levels of low-paid employment are high and yet rates of poverty are low.

2. Full employment

812. Economies in the OECD region, except in Japan, have grown at high steady rates during the last five years and experienced a 1 per cent reduction in OECD-wide unemployment levels.[108] However, a number of economies still face structural barriers to achieving the goal of full employment. Governments in Europe, Canada and the United States have become increasingly aware that the problem of unemployment has implications for poverty, in particular for the level of social integration in their societies.

813. In Austria, unemployment increased from 6 per cent in 1995 to 7 per cent in 1998, and is expected to have increased further in 1999. The national action plan for employment, adopted in 1998, has provided for skills development and vocational training, the diffusion of technology and measures to support an entrepreneur friendly environment.

814. Unemployment in Belgium declined from 14 per cent in 1995 to 12 per cent in 1998, and is expected to have declined further in 1999. In Belgium, there has been little progress in addressing problems of structural unemployment. There are significant regional differences in the levels of unemployment: Flanders, 7.7 per cent; Wallonia, 17.2 per cent; Brussels, 19 per cent.

815. In Canada, unemployment declined from 9.6 per cent in 1995 to 8.3 per cent in 1998, and is projected to have reached 8 per cent in 1999. In 1996, the Government reformed the employment insurance system and its active labour market policies have significantly reduced disincentives to employment.

816. Unemployment in Denmark fell from 10.2 per cent in 1995 to 6.5 per cent in 1998, with a projection below 6 per cent for 1999. Eligibility for unemployment has been tightened and other changes made in unemployment insurance programmes. Yet, disincentives to re-entering the labour market remain high, particularly for those in low-income groups.

817. In Finland, unemployment fell from 15.2 per cent in 1995 to 11.4 per cent in 1998, and is projected to have fallen to about 10 per cent in 1999. While the overall level of unemployment has fallen, the share of long-term unemployed in the total has increased; half of the long-term unemployed have remained unemployed for more than two years. Employment promotion policy has shifted the emphasis from providing subsidized jobs to training and job-search assistance.

818. In France, unemployment increased from 11.6 per cent in 1995 to 11.8 per cent in 1998, and is projected to have fallen 11.2 per cent in 1999. To address the problem of youth unemployment, the Government has launched a targeted youth employment programme, which by 1998 provided subsidized employment for approximately 150,000 youth in the age group 18 to 25. That number was expected to reach 350,000 in 2000.

819. Unemployment in Germany increased from 9.4 per cent in 1995 to 11.1 per cent in 1998, and is expected to have declined to 10 per cent in 1999. The Employment Promotion Law, revised in 1997, sought to improve the effectiveness of active labour market measures, including strengthening links between subsidized employment (secondary labour market) and normal employment (primary labour market).

820. In Greece, the unemployment rate has remained at about 10 per cent since 1995. New labour market legislation, introduced in 1998, has provided for more flexible working hours, including part-time work, local minimum wage setting and programmes to target vulnerable groups, such as youth and the long-term unemployed.

821. In Ireland, economic growth rates have been exceptionally high — 11.1 per cent in 1995 and 10.4 per cent in 1998 — and are expected to have maintained similar levels in 1999. Unemployment declined from 12.2 per cent in 1995 to 7.7 per cent in 1998, and is projected at 6.4 per cent for 1999. The community employment programme has sought to reintegrate the long-term unemployed through the provision of work in the community and the voluntary sector.

822. Unemployment in Italy has remained at about 12 per cent since 1995. The high level of structural unemployment has been accompanied by substantial regional differences. Unemployment in southern Italy was 22.5 per cent in 1998 and 7 per cent in the Centre-North.

823. Unemployment in Luxembourg has consistently been below 4 per cent since 1995, and is projected to have declined to near 3 per cent in 1999.

824. In the Netherlands, unemployment declined from 7 per cent in 1995 to 4.1 per cent in 1998, and is expected to have remained below 5 per cent in 1999. A substantial proportion of the net jobs created were in part-time employment, which in 1999 constituted 40 per cent of all employed workers.

825. In Norway unemployment rates declined from 4.9 per cent in 1995 to 3.2 per cent in 1998, and are projected to have remained at about 3 per cent in 1999.

826. Unemployment in Portugal declined from 7 per cent in 1995 to 5 per cent in 1998, and is expected to have declined further in 1999. However, long-term unemployment rates are high. They have been steadily increasing since 1992.

827. In Spain, the unemployment rates declined from 23 per cent in 1995 to 18.8 per cent in 1998, and are expected to have fallen below 18 per cent in 1999. In 1997, the Government adopted labour market reforms that aim to foster stable employment, in particular through the development of new semi-permanent forms of employment, and to make collective bargaining more flexible.

828. In Sweden, unemployment fell steadily from near 8 per cent in 1995 to 6.5 per cent in 1998, with 5.6 per cent projected for 1999. Yet nearly 12 per cent of the active population is either long-term unemployed, benefiting from active labour market policies or in extraordinary education programmes. The Government's 1998 national action plan for employment aimed to reduce youth unemployment by ensuring that youth are activated after no more than 100 days, prevent long-term unemployment by ensuring that the unemployed are activated after no more than 12 months and improve the quality of active labour market policies.

829. Unemployment in Switzerland declined from 4 per cent in 1995 to about 3 per cent in 1999. To prevent any build-up in long-term unemployment, the Government's unemployment insurance policy has shifted from passive income support to active labour market policies. Access to unemployment insurance has been tightened and receipt of assistance made conditional on participation in those programmes.

830. In the United Kingdom, unemployment declined from 8 per cent in 1995 to 4.7 per cent in 1998, and is forecast to have remained near that level in 1999. However, there is still a high rate of long-term unemployment and youth unemployment, as well as a significant increase in the number of inactive people due to disability or long-term illness. In 1998, the Government began a national welfare-to-work programme, targeted at vulnerable groups, particularly the youth and long-term unemployed as well as single parents, the disabled, ex-criminal offenders and people with language difficulties. The programme provides wage subsidies, education and vocational training, and employment in the voluntary sector.

831. Since the Summit, nearly all OECD countries have experienced a favourable environment to further reduce the level of unemployment, with steady economic growth. In a number of countries, including Luxembourg, the Netherlands, Norway Switzerland and the United States of America, there is practically full employment. Canada, Denmark, Ireland, Portugal, Sweden and the United Kingdom are close to achieving that goal. There are several countries in which unemployment is above or near 10 per cent, where despite sustained economic growth, structural barriers have made it difficult to reduce unemployment substantially. That group includes Belgium, Finland, France, Germany, Greece, Italy and Spain. In Austria alone, unemployment has increased over the period under review. In all countries, a substantial proportion of people without work have experienced long-term unemployment for more than 12 months and significant difficulties in re-entering the labour market.

3. Social integration

832. Progress towards eliminating armed conflict and violence and surrendering arms in Northern Ireland was a landmark development in social integration during the years after the Summit. It held promise that the source of the most severe disruption to political and social life in OECD countries would subside in the near future. Attempts to more closely integrate ethnic groups in Belgium and Canada continued as before. In the United Kingdom, the devolution of powers to parliaments in Scotland and Wales promoted the principle of subsidiarity and responded to the sensibilities of those sections of their population who wanted a higher degree of autonomy in government.

833. The European Union has continued its progress towards closer integration of the economies, Governments and societies of member countries. The Maastricht Treaty, signed in 1992, had established the European Union, including provisions for the

completion of the economic and monetary union and the introduction of a single European currency. A common currency, the euro, and a common central bank was introduced in 1999. In 1997, the Treaty of Amsterdam furthered these processes in such areas as citizen's rights, employment and foreign policy. The Schengen Treaty came into force in 1995. Since then, all countries in the European Union except the United Kingdom and Ireland have been covered by the terms of the treaty. Under its terms, citizens can move within the European Union without border controls. All those steps have taken the European Union countries towards a more integrated economy and eventually a more integrated society.

834. Unemployment, the deterioration of traditional family structures, reductions in levels of social services and the scope of social protection of vulnerable groups have contributed to marginalization and exclusion in OECD countries. Vulnerable groups at risk of being marginalized include women and youth, the long-term unemployed, and migrants and ethnic minorities. Those groups continue to face substantial barriers to participation in their societies, in particular in the labour market. Long-term unemployment is the principal source of social exclusion in OECD countries. Groups dependent on unemployment benefits or other cash transfers are more exposed to relative poverty, and in a number of countries do not have fair access to basic social services.

835. Immigrants and ethnic minorities face difficulties in gaining access to employment and social services as well as to participation in society as a whole. Western Europe has become increasingly multicultural after borders within the European Union were opened and significant numbers of refugees fled political repression and conflicts in neighbouring countries. New immigrants have also contributed to that inflow. The integration of those groups into society is a high priority for most Governments. Some countries have adopted specific labour market policies, including counselling and vocational and language training, to improve employment opportunities and participation in national education programmes. However, in several countries, minorities have experienced significantly higher levels of unemployment and are exposed to higher levels of poverty and social exclusion than others.[109]

836. There is no evidence that tangible progress has been achieved since the Summit in these areas. Social exclusion in OECD countries is closely connected with problems of poverty and unemployment. Robust economic growth and decline in unemployment since 1995 have not prevented certain groups and certain regions from being further marginalized from mainstream society. The most common measures taken by OECD countries to address social exclusion is social assistance directed at disadvantaged or excluded groups, such as young people, immigrants, single parents and the long-term unemployed. Government policies to meet these groups' needs include cash assistance and welfare services and measures to reintegrate them into the labour market.[110]

837. The payment of unemployment benefits has been reformed in some countries. In the Netherlands, the United Kingdom and the United States, conditions for such payments have been tightened and the amounts and duration of payment reduced. The objectives of those reforms include recipients taking steps to improve their situation and not depending on benefits over the long term. In Denmark, Luxembourg and the United States, agreements between benefit recipients and government agencies on reintegration into the labour force and social responsible behaviour while receiving public assistance have become widespread. In France, a law against social exclusion, which, *inter alia*, ensured citizens' rights to social services, was adopted in 1998.[110] In Italy, Portugal and Spain, where family support structures have become weaker, minimum social assistance payments have been increased.

838. There are unresolved problems in phasing out welfare payments to persons in unemployment or in poverty as they emerge from those conditions. If welfare payments exceed income from work, the cessation of the payment of benefits amounts to an effectively high rate of taxation at low levels of income. Where the head of a household with young children is unemployed, there is no way of reducing payments to that family to compel the head of the household to seek work without hurting children who are dependent on him/her for income.

839. Childcare services have loomed large in importance for several reasons. The first is the rising participation of both parents in the work force. The second is the larger number of lone-parent families with young children. The third reason is the confirmation of the value of early childhood education in the later development of young persons. In all

countries, far more resources and ingenuity need to be spent on designing and providing childcare services.

C. Obstacles encountered

840. There is continuing debate on priorities in the allocation of resources for social development as a whole and among competing claims within social development, as well as about the most efficient and effective instruments of implementation. Constituencies that are better organized, such as the elderly, prevail over less well organized children. Manufacturers of hand guns are strikingly more influential than the diffused and poorer victims of abuse by hand guns.

841. Countries of the OECD region with mature populations face both economic and social problems in providing for the care of increasing proportions of older people. Resources have to be provided for them out of the output of smaller proportions in the working population. The costs of medical care tend to increase as the proportion of older persons increases. Children have difficulties attending to the needs of old parents. Those problems manifest themselves in the problems faced by old age pension and social security funds, which run risks of exhaustion unless benefits to older persons are modified or contributions by current employees increased. In many countries, easing pressure on public sector social security funds is sought by encouraging persons to invest in private-sector pension plans.

D. Lessons learned

842. Even with high levels of income, robust economic growth and well functioning institutions, poverty, unemployment and social disintegration are important social problems in the OECD countries. Poverty in those societies is not as severe as in most developing countries. Unemployment is most of the time relieved by transfer payments from government. Social integration has more to do with economic opportunities than with ethnic or religious differences.

843. In periods of rapid economic and social change, with new techniques of production and changing patterns of social behaviour, failure to participate in the new production processes has become a significant cause of poverty and social exclusion. Persons so excluded face long-term unemployment or low wage employment, both of which drag them down to poverty. If for mostly other reasons those so unemployed also cannot provide family support, their families and children run the danger of suffering from all the disadvantages of poverty, including short lives, poor education and social exclusion.

844. More resources by themselves do not always raise the quality or effectiveness of social service delivery. There are substantial differences in levels of expenditure on health care and education services both within and between countries that do not translate themselves into verifiable differences in the quality of services. Experiments with alternative mechanics are still too short-lived for assessment. Substantial government expenditure has enabled the OECD societies to work to reduce poverty, promote employment and secure social integration. There are several mixtures of social institutions that could work together to produce roughly similar outcomes.

845. New programmes for the movement from welfare to "workfare" are not always as direct or easy to implement as was first assumed. There are as many people earning low wages and in poverty where welfare payments have been reduced as in countries where the unemployed receive undiminished welfare benefits — they have not escaped either welfare dependency or poverty.

846. The transfer of certain powers of government both to more centralized organs, such as the European Parliament and European Central Bank, and to more local organizations, such as Parliament in Scotland and Wales, has contributed to social integration. These contradictory but complementary movements have served different functions.

Part Four
Conclusions

XV. Main findings

A. Introduction

847. Since the Summits the various dimensions of social development have been regarded with new acuity by the eyes of policy makers. Whether responding to financial crisis, instituting economic

reform or structural adjustment programmes, balancing budgets or deciding on where and when to invest, social policy is increasingly in the forefront of policy decisions. A global consensus is emerging that development is more than economic growth, and that eradicating poverty involves more than boosting per capita gross national product.

848. Progress has been achieved in putting poverty at the top or at the centre of the policy agenda and in formulating poverty eradications plans and strategies. However, much less progress has been achieved in actually implementing those plans. The growth of numbers of people living in absolute poverty since the Summit underlines that failure to move beyond the planning stage of good intentions, towards actual implementation and results. A major challenge facing the General Assembly at its special session will be to devise realistic strategies for poverty eradication. If those strategies are based uniquely on economic growth they are likely to fail since it is improbable, for many regions of the world, that required levels of economic growth will be achieved. And the experience of certain countries also demonstrates that robust growth and low levels of unemployment do not automatically translate into reduced poverty.

849. In order to operationalize the goal of poverty eradication, both direct and indirect approaches merit attention. While indirect approaches, such as through empowerment and capacity-building, are important, such approaches should not be pursued at the neglect of direct measures to increase productivity, remove labour market distortions, improve the terms of exchange of goods and services, and improve the quality of economic growth, particularly with regards to making it pro-poor and employment-intensive. Employment has come to the fore as both the nexus between economic and social policy and the key to meeting the other overriding goals of the Summit — poverty eradication and social integration. The growing informalization of employment and the new sense of uncertainty facing the world's workforce, however, have also highlighted the need to address the quality of employment. The plight of the "working poor" demonstrates that jobs are not enough by themselves but must be accompanied by social protection. Finally, the world has become much more integrated since the Summit and that integration has been driven by the increased pace of globalization and technological change. However, progress in social integration has not kept up with these changes. Unless social integration is addressed in its various manifestations (i.e., the need to heal conflict-torn societies, local autonomy and values, social and financial solidarity), social development will be eroded.

850. The cross-cutting issues set out below, drawn from the preoccupations expressed in the national reports, cannot easily be confined to only one of the three overriding goals of the Summit. Rather, each has implications for all three. They provide a prism through which to take a fresh look at the 10 commitments made at the Summit, and possibly discern new actions initiatives to eradicate poverty, create employment and foster social solidarity in an integrating world.

B. Cross-cutting issues

1. Importance of rehabilitating the public sector

851. The five years since the Summit have been marked by accelerated private-sector growth and decreased importance, in terms of budgetary allocations and economic sectors controlled, of the public sector. While the most striking shift has occurred in the economies in transition, major sectors in many OECD countries, such as banking and telecommunications, have also been privatized. The new role of the public sector was addressed in the World Bank's *1997 World Development Report*. Furthermore, in a number of countries devastated by armed conflicts and ethnic unrest, the state has virtually disappeared.

852. All too often, the role and scope of the public sector has been seen in terms of a zero-sum game, in which gain for one represents loss for the other. Furthermore, the dismantling of state-controlled economies in the former USSR has led to a situation in which the public sector, through association with the former socialist state, has been cast in a negative light. That negative view of the state has not been conducive to building the strong public institutions required for a successful transition. A lack of strong and transparent public institutions and regulations is among the factors contributing to growing inequality in the post-socialist state. Rebuilding such public institutions, not as an alternative but a complement to the private sector, remains a major challenge for most economies in transition.

853. Similarly, the process of economic reform and structural adjustment in many developing countries has highlighted the importance of good governance and strong public institutions. Structural adjustment has commonly led to a decrease in public expenditures and a corresponding decline in the delivery of basic social services in such fields as health and education. Structural adjustment has also meant that the privatization of activities previously undertaken by the state has often taken place without a vibrant domestic private sector in place and ready to take over such activities. For example, the construction, rehabilitation and maintenance of infrastructure have in some cases been taken over by multinational public works enterprises using more capital-intensive methods, resulting in a loss of domestic capacity and employment.

854. While the role of the state in developing countries is being transformed from that of provider to that of enabler, the necessary capacity for the public sector to play that new role has not always been developed. The enabling environment called for in commitment 1 of the Copenhagen Declaration has consequently suffered. One lesson learned is that a strong public sectors is necessary to ensure equitable privatization and to oversee economic reform; the public and private sectors must develop and be strengthened in a coordinated manner. The Asian financial crisis has demonstrated the dangers of liberalization taking place without a regulatory environment and clear rules and transparent institutions in place.

855. The growing importance of the private sector in developed, developing and transitional economies is posing new challenges for the public sector; its capacity to regulate the private sector for the public good has not always kept pace with the qualitative changes and growth of the private sector. The need for such a regulatory capacity has been demonstrated in the environmental sector, and challenges are growing in the banking, financial, information technology and biotechnology sectors. In view of globalization and the transnational nature of private-sector activities, there is a growing need for strengthened public institutions at the international level. Such international public institutional arrangements include increasingly powerful regional and international groupings, such as the G-7, G-15 and the G-77 groups of countries. New demands are being made on the United Nations system, as well as on the Bretton Woods institutions and those agencies with mandates in such fields as trade, labour and employment, health and education. Ultimately, a strong and versatile public sector is especially necessary to ensure social development and the goals the international community set itself at the Summit.

856. Another function of the public sector is to reinforce the principle of subsidiarity to ensure that those decisions, which can best be taken at the local level, are indeed taken at this level. The public sector can help create the necessary space for local action in the global economy.

857. While globalization may be an ineluctable process, many economic and social policy instruments remain important levers controlling and shaping that process. The public sector provides the means for effectively using rather than discarding such policy instruments. Public policy and institutions are instrumental in ensuring that globalization is carried out in a participatory and transparent fashion and in countering the debilitating image of inevitability typically associated with globalization. While globalization may indeed be inevitable, how it takes place is not inevitable. For example, the liberalization of trade and capital result from policy decisions taken at both the national and international levels. One of the lessons learned during the past five years is that liberalization should be implemented gradually and deliberately and not by default.

858. The growth of inequality and inequity both within and between countries has raised awareness of the need to strengthen redistributive mechanisms, both complementing and at times counterbalancing markets. The public sector is necessary to ensure redistribution, through social and economic policies and institutions (such as taxation mechanisms, investment policies and budgetary allocations). As discussed below, inequality is increasingly recognized not as a necessary adjunct to economic growth but rather as a threat to the sustainability of growth and hence to social development. Closely linked to the redistributive role of the state is the public sector's role in mobilizing and allocating resources for social development. While the new state may make better use of the private and voluntary sectors for delivering social services and programmes, it will at the same time need to strengthen its capacity to mobilize and allocate these and additional resources.

859. The public sector will also have to be reinvented at the international level. Its primary responsibility will be to ensure that social development — in addition to trade and capital flows — is globalized. The ongoing discussions on the social underpinnings of the new financial architecture, of principles and good practice in social policy, of global public goods, of the reform and strengthening of international policy (both technical and value-based) institutions, all provide fertile ground for new initiatives to extend the scope, boundaries and depth of public participation in and ownership of an integrated world.

860. In conclusion, three sets of developments define the dimensions of the new public sector to be reinvented. Those developments require concerted public policy action at the national and international levels. They are (a) the quantitative growth and qualitative strengthening of the private sector; (b) growing inequality; and (c) an increasing tendency for decisions that impact on social development to be taken without the participation of public (both local and national) policy mechanisms. Within that context, new modalities of cooperation and collaboration between the public and private sector must be established. The "new" public sector will need to redefine its relationship with the private sector, encouraging it to act in a socially responsible manner, facilitating its positive social potential (such as its ability to create employment) but also acquiring the strength necessary to set and to enforce the social standards and rules within which it must operate. The public sector must also develop new capacities and mechanisms for redistribution at both the national and international levels. It must enable people to participate in and shape policies that influence their lives. To do so, it must foster a stronger interaction and better articulation between private sector shareholders and civil society stakeholders, providing the environment in which subsidiarity and redistribution can best interact. The new role of the public sector should be to ensure that the public enters the age of globalization with its eyes wide open.

2. Growth of inequality

861. One major development since the Summit is that inequality is back on the agenda. Inequality is of particular relevance to the Summits' three themes of poverty eradication, full employment and social integration. And inequality has various dimensions. Growing numbers of people are falling into poverty because of inequitable distribution of resources within and between societies. Inequality in wages and skills and a growing schism between the good jobs and the bad jobs highlight the importance of the quality of employment. And inequality is at the centre of social exclusion. It is characterized by differential access to resources and decision-making institutions, and leading to the erection of barriers, social conflict and violence.

862. Some have seen inequality as the price to pay for economic growth, believing that inequality would nevertheless be accompanied by a trickling down of benefits and eventual improvements in living standards for the poor. Others have seen rapid economic growth as the best means for decreasing inequality. However, current research does not show any clear relationship between economic growth and income inequality. As with poverty eradication, policies to stimulate growth, while important, do not automatically improve income distribution. Hence, inequality must be alleviated through specific policy instruments. Most of those instruments involve a strengthened public sector (see above).

863. Inequality has become a central obstacle to the implementation of most of the Copenhagen commitments. Reduction in inequality might therefore provide an umbrella concept for developing possible new initiatives. Strategies to ease inequality will necessarily involve redistribution, but redistribution should be carried out in such a manner so as not to interfere with incentives for growth and entrepreneurship. Redistribution should focus not only on redistribution of existing resources within societies but also on creating new opportunities for the poor, thereby redistributing future resources.

864. Furthermore, redistribution also has international dimensions, which once again imply the redistribution not only of current resources but also of future opportunities. The United Nations should play a more forceful role in ensuring equality of opportunity and equity at the international level as a foundation for peace-building and conflict prevention. Strengthened debt-relief initiatives could help to avoid the growing impression that the future of one group of countries is mortgaged to the benefit of another's.

865. Specific strategies to achieve equity and equality could therefore take on several dimensions, largely based on public-private partnerships for the

mobilization and allocation of resources. Policies are also required to strengthen those institutions most beneficial to the poor. Specific initiatives might involve strengthening the capacities of developing and transitional economies in the field of taxation, developing training opportunities for the poor to provide access to the new knowledge-based society, and upgrading social protection and productivity in the informal sector.

3. Informalization of employment

866. Strong economic growth continues to provide the best means to create employment, and studies have shown that fears of jobless growth are largely unjustified. Nevertheless, there does appear to be a growing separation between those with the high-skilled and those with the low-skilled jobs, between productive and unproductive employment. While economic growth, when measured in global terms, is not becoming less employment-intensive, that fact may mask a growth in precarious and unproductive, albeit labour-intensive, forms of employment. Much of that growth is taking place in the so-called informal sector. In some parts of the world, companies are relying on subcontracting labour and products as a way of avoiding providing employment benefits. Membership of trade unions has been declining in many parts of the world.

867. Traditionally, the informal sector has been seen to be a feature of developing economies. However, the growth of labour market flexibility and new subcontracting mechanisms are also affecting employment in industrialized economies. A number of OECD countries have reported a rise in precarious and non-standard forms of employment. Even those at the high end of the labour market frequently have to confront trade-offs between levels of remuneration and job security. Although the informal sector was once regarded as a transitory phenomenon, a marginal sector to be gradually integrated into the formal economy, during the past five years a counter trend can be observed, with the formal sector becoming increasingly informalized. Rather than posing a threat to formal sector enterprises, the informal sector is entering into a symbiotic relationship with them. Homework, putting out systems and various forms of subcontracting are strengthening the linkages between the formal and informal parts of the economy and blurring the borders between the two.

868. Another feature of the informal economy is that it is becoming globalized. Although the informal sector is generally perceived to be producing goods and services by the poor and for the poor, increasingly the informal sector is producing labour-intensive goods and services for the high-income domestic as well as international markets. The close linkages between the formal and informal sectors, as well as its globalization, are phenomena which highlight the need for greater social protection and minimum standards of employment.

869. New initiatives are required to increase productivity and upgrade incomes and working conditions for informal sector workers. These should go beyond the supply-side approaches traditionally used. That is, in addition to providing the informal sector with training, credit, infrastructure and technical and entrepreneurial advisory services, increasing attention should be paid to the demand side, thereby addressing those who purchase and outsource the informal sector's goods and services.

4. The working poor

870. Closely related to the growth of the informal economy is the need to address the growing numbers of the working poor. They, for example, women heads of households trying to balance family responsibilities with remunerative work; informal sector workers trying to survive through unproductive employment; and workers in industrialized economies who have been pushed into the low-end of the job market in the framework of welfare-to-work programmes. While employment remains the key means for rising out of poverty, employment-based strategies for poverty eradication can be successful only if there is a concern with the quality of employment and for meeting basic minimum standards. As the trend from welfare to work accelerates, so does a trend for larger numbers working for incomes below the poverty line. Although the working poor make up the bulk of the labour force in developing countries, they are not confined to these countries nor to the informal sector. The working poor represent a growing concern in countries at all levels of development, including those in wage employment in industrialized and transitional economies.

871. Strategies to help workers move out of poverty should focus on the quality of employment, including improved working conditions. Respect for international labour standards, particularly those fundamental standards embodied in the ILO Declaration on

Fundamental Principles and Rights at Work, should provide the starting point for combating poverty in the context of employment. There is a tendency to see a trade-off between the quality and quantity of employment, that is, between social protection and job creation. However, for workers engaged in low productivity, labour-intensive forms of work, improved working conditions also tend to have positive impact on productivity and incomes, without necessarily eroding employment possibilities for fellow workers. Therefore, helping workers out of poverty should not mean increasing unemployment.

872. Strategies to address the working poor should also foster greater solidarity and mutual support between workers in the formal and informal sectors. Organization and participation in the workplace provide important tools for improving the quality of employment.

5. Making economic growth more employment-intensive

873. A major challenge facing the international community is that of improving the employment impact of economic growth. While sound macroeconomic policies are critical for economic growth and consequently for employment creation, many countries are of the view that growth is not enough. They are therefore examining strategies for ensuring that growth results in jobs for all who want to work, and furthermore in employment of a decent quality. Many industrialized countries have explored programmes to create new jobs in social services and local environmental works, the so-called third sector. These jobs are relatively labour-intensive and often respond to the growing need for personal services in an ageing society. Such services are instrumental in both creating employment and fostering social integration and intergenerational solidarity.

874. Another largely untapped source of new jobs which entails little additional costs is the adoption of labour-intensive techniques for infrastructure investments in developing and transitional economies. Such technologies, when applied to certain categories of public works, such as rural access roads, environmental rehabilitation, irrigation and urban slum upgrading schemes, have been demonstrated to be cost-effective when compared with equipment-based methods, and to result in infrastructure of comparable quality. Although public works programmes are often put in place as a quick source of employment in the wake of natural disasters or in post-conflict situations, there is enormous potential for applying those approaches on a broader scale in the framework of national investment programmes and policies. The long-term economic viability of such approaches should rest on market mechanisms and relative factor prices for labour and capital. Rather than subsidize labour-intensive approaches, policy should first focus on eliminating obstacles to greater use of labour, which are often created through import subsidies for equipment and overvaluation of local currencies. Such anti-employment biases may also be reinforced by donors restricting their ODA to imported capital costs to the detriment of local labour costs. Labour-intensive public works can provide the foundation for sustained economic growth and poverty alleviation (since the types of infrastructure most amenable to labour-intensive techniques are also those most likely to benefit the poor), while at the same time creating additional employment. However, as was demonstrated during attempts to implement public works programmes as safety nets in response to the Asian financial crisis, national capacity to rapidly design and implement such programmes is sorely lacking. Furthermore, in line with the growing trend towards privatization of many of the activities previously undertaken by government public works departments, there is also a critical need to develop indigenous private-sector capacity for small-scale labour-based contractors. In sum, the potential exists for a major expansion of employment opportunities through national investment policies and programmes, but concrete action is required to realize that potential.

875. Putting employment at the centre of strategies and policies of Governments, then, not only requires concerted action at the national level but also provides an opportunity for innovative development cooperation. New initiatives in research and programme development could be designed to evaluate the impact of productivity changes and skills development on employment growth in the framework of a knowledge-based society. Research might also focus on promoting modern, efficient and productive but labour-intensive and management-intensive methods of work and production. Better monitoring and evaluation capacity and techniques are also required to assess the employment impact of public policies and programmes. Such evaluation and monitoring should also include a better understanding

of the social (human and financial) costs of unemployment, underemployment and poor quality and unproductive work. As is the case with environmental pollution, new incentives could be created to encourage the private sector to integrate the costs of unemployment into their production processes. By better factoring those considerations into public policy and into private-sector decision-making, new strategies for fostering employment-intensive growth could be developed.

6. Conflict, crises and social development

876. The rise in the numbers and scope of armed conflicts and natural disasters has become a serious impediment to social development. The resulting need for humanitarian assistance is depleting increasingly scarce resources available for long-term development assistance. At the same time that the world is becoming increasingly interdependent, conflicts arising around issues of local autonomy and ethnic identity are increasing. It is a sad fact that "ethnic cleansing" has gained such prominence since the Summit.

877. The root causes for seemingly senseless acts of violence and natural disasters can often be traced, at least in part, to an accumulated and unresolved backlog of social problems. Conflicts that appear to be ethnically based may in fact have their roots in poverty and lack of employment opportunities. The impact of natural disasters, such as earthquakes or hurricanes, may also be aggravated by inadequate housing conditions, or by poor environmental conditions caused by overcrowding or intensification of agriculture as people living in poverty attempt to increase incomes.

878. The challenge facing the international community is how best to transform the current vicious circle of crises depleting resources necessary for their prevention to a virtuous circle in which sustainable social development averts crisis. In times of crisis, resources for emergency and humanitarian assistance, although inadequate, are usually forthcoming. However, resources are much more difficult to mobilize before the social crisis has manifested itself as an overt conflict. Greater attention should be paid to monitoring and evaluating the human and financial costs of natural and human-made disasters before they erupt. Appreciation of such costs may be a first step in mobilizing the resources necessary for their avoidance.

7. Financing social protection

879. A major shift has occurred in modalities for financing of social services. That shift has been away from universal publicly provided coverage to needs-tested targeted assistance for the poor and market-based mechanisms for the rest of society. The pressure behind such changes is often motivated by the need to reduce fiscal deficits and to provide stronger incentives for the poor to return to work. Targeted safety nets for the truly needy, combined with the obligation to work for the rest, have transformed the manner in which societies have undertaken to finance social services.

880. Societies are often driven to adopt greater selectivity in financing social services in order to address declining public revenues. That situation has prevailed in many of the transitional economies of Eastern and Central Europe. Although the proportion of government expenditures for social services has remained roughly steady during the transition process, the absolute amount available has fallen sharply, as have government budgets. Falling revenues, together with a desire to decrease the role of the public sector, have pressed Governments to adopt targeted safety nets. That shift in financing modalities, however, presents a number of dangers for society. One casualty of the new system is often social solidarity. Since the system is no longer based on universal contributions and coverage, social solidarity and broader political ownership of social security begins to break down. Furthermore, many countries have not yet put in place the capacity required to carry out means testing, thereby leaving the system open to abuse.

881. In many developing countries, the principle of universal free provision of basic social services, such as health care, education and water supply, has gradually given way to the introduction of user fees and in some cases to privatization of these services. While the introduction of user fees may be viewed as a regressive measure, that transition can be justified by the fact that in certain cases the poor either have limited access or they may actually pay more than the rich for comparable services (as is often the case with water supply).

882. On a broader scale, the choices facing policy makers with regard to funding of social services can be seen to range along a continuum from individual responsibility to social solidarity. Individual pension account systems may place unacceptable burdens on

the individual to foresee and plan for his/her own future, while pay-as-you-go systems pool risks and foster intergenerational solidarity. Recent financial crises have highlighted the need to create and strengthen systems of social protection for workers subject to sudden unemployment and loss of income-earning capacity, which raises the issue of how to finance the creation and extension of social services. Similarly, with growing informalization of employment (see above), there is greater urgency to develop tools to extend social protection to the informal sector.

883. Since social protection is often viewed as a cost to society, the trend has been towards fostering greater efficiency and responsibility by transferring an increasing percentage of that cost to the individual, which raises the issue of whether or not the funding of social protection should be a redistributive mechanism, or whether it should be limited to insuring the individual against hardship. However, the cost of providing social protection should always be weighed against the cost to society of not providing it. Social protection can also be viewed as an investment and in fact a good investment, leading to greater labour productivity. In conclusion, the trend from universal to targeted provision of social services, and the trend from welfare to work have been raised in numerous national reports, with important implications for efficiency of delivery, social solidarity, political support and productive societies.

8. Reversing the decline of official development assistance

884. Despite the commitment made at the Summit for countries to devote 0.7 per cent of their GNP to official development assistance, the trend has been towards a continued decline in ODA. Furthermore, the relative role of ODA within the broader framework of different modalities of financing for development has been declining. Not only has the absolute amount of ODA been decreasing, this in the face of growing needs, but also the allocation has been changing. Many least developing countries have seen their share of ODA decrease due to urgent requirements of transitional countries hard hit by financial crisis or by the negative impacts of economic reform. An additional squeeze on ODA has been created by the humanitarian needs arising from the growing number of local conflicts and natural disasters.

885. Clearly, there is scope for new initiatives to mobilize additional resources for ODA and to ensure that existing resources are used both with utmost efficiency and with utmost impact on social development. A number of national reports suggest linking the provision of ODA with results or eventual impact, which implies a shift in measuring ODA in terms of efficiency or outputs rather than as inputs. While greater accountability for end-results and impact in development cooperation is viewed by many as a positive development, there is also a danger that development cooperation may consequently neglect those countries where the capacity for development is the weakest. The end result could be a further marginalization of least developed countries and further accentuation of inequality in the world. New modalities are required for increasing political will for the mobilization and allocation of ODA. Just as with the financing of social services at the national level, the costs of providing additional ODA should be weighed against the costs incumbent on the international community as a result of failing to invest in social development.

886. While each Government within the international community has its part to play in living the commitment it made at the Summit on ODA, it is especially important to keep in mind the big picture. If, for example, the G-7 countries were collectively to put that commitment into practice, a major impact on redistribution would be achieved.

9. Debt reduction

887. Many countries have reported on the painfully high percentage of GDP and of export earnings being used to service their multilateral and bilateral debt. For many developing countries, excessive debt service payments are seen to be the number one obstacle to progress in social development. Furthermore, there is a growing recognition that joint responsibility between lender and debtor has been involved in the contracting of that debt. It is in that context that the HIPC initiative has been strengthened by providing faster, broader and deeper debt relief. A number of countries have also reported on bilateral initiatives towards debt cancellation. In view of the negative impact which accumulated debt has had on social development, the special session has a potential contribution to make in contributing to the HIPC as well as other national and international initiatives towards debt reduction.

888. The contracting and servicing of debt not only has a negative impact on social development in the present but also places a burden on future generations. Therefore, in addition to providing debt relief, new initiatives could examine and revise the modalities by which debt is contracted. Greater transparency and participation are called for in contracting debt, and there is scope for strengthening national capacity for the negotiation with lenders of the terms of indebtedness. Greater attention should be paid to the impact of loans on social development, as well as on creating the productive capacity necessary to repay loans in the future. Finally, the General Assembly at its special session may wish to examine the question of associating debt relief with specific programmes to eradicate poverty and to create employment. Employment creation programmes, in fact, carry the advantage of building national productive capacity necessary for debt servicing, while simultaneously contributing to poverty eradication. A further important issue to examine in the context of debt is that of national policy autonomy in the context of globalization. Issues of debt relief and conditionality require careful examination, as Governments examine how to strengthen those national policy instruments required to manage the process of globalization so as to optimize impact on social development.

10. Globalization and liberalization

889. Globalization is often confused with liberalization, and the two are commonly seen to be progressing in an ineluctable manner. While growing interdependence, due largely to new communications technologies and reduction in transport and transaction costs, is indeed reshaping societies in a largely unavoidable fashion, the liberalization of trade and capital flows are conscious policy decisions taken at both the national and international levels. Globalization and liberalization raise two sets of issues for the future of social development. The first set of issues relates to strengthening policy instruments at the national and international levels in order to better manage the process of globalization for the benefit of social development. The second set of issues relates to how to create "niches" for local autonomy and action in the context of globalization. In other words, globalization need not automatically imply powerlessness with regard to social policy.

890. With regard to the development and utilization of policy instruments to manage globalization, the integration of social and economic policy should be a central motivating factor. Although a number of policy instruments, such as those relating to fiscal and monetary policy, are being relinquished by national Governments in favour of regional integration, other instruments, such as the decision to liberalize trade and capital flows, can be negotiated in view of their projected impact on social development. Furthermore, the fact that Governments decide to enter into regional cooperation or integration with regard to macroeconomic policies does not mean that they relinquish all control over such policies. Rather, the same principles of democracy, transparency and participation can be applied at the regional level. Managing globalization, however, requires a stakeholder rather than a shareholder approach to economic policy.

891. A common element between the two sets of concerns mentioned above is the potential development and use of standards and principles of social policy as a policy instrument to promote social development in the context of globalization. Such principles, if developed, should be prepared in a transparent and participatory manner. Principles of social policy must recognize that a "one-size-fits-all" model that "standardizes" social development would be entirely inappropriate.

11. Local development and values in the global economy

892. One of the issues raised by the reports and facing the General Assembly at its special session will be the ability of societies to shape the values and norms that hold communities together in the face of the challenges posed by the market and by technological advances. New mechanisms will have to be identified whereby local culture, diversity and values can be protected and strengthened in the face of globalization. Such mechanisms involve not only giving globalization a human face but also ensuring that public policy provides for niches and safe havens where local culture and values can be protected and nourished. Participation in the global society should not be incompatible with local action. In fact, increasing attention should be paid to the comparative advantages of local-level institutions, operating within the context of local values, for fulfilling the commitments made at Copenhagen. Strengthening of family values can be

especially important for the most vulnerable groups of society, including children.

893. Protection of values and local action are closely related to urbanization and the growth of cities, as new centres for local culture. Although the majority of the world's poor still live in rural areas, the world is rapidly being transformed into an urban planet. During the twenty-first century, more than half of the world's population will be living in urban areas, and strategies for social development will have to undergo a corresponding transformation. Developing countries, especially those in Africa, are confronted with higher rates of urbanization than are industrialized countries, and are not prepared to meet the basic requirements of their new urban dwellers, in particular with regard to infrastructure and basic services. Nevertheless, urban populations continue to be better served than rural populations with respect to health, education, water supply and other basic services. The continued growth of slums and shanty towns, however, attests to the fact of increasing inequality in the repartition of these services. Social exclusion is another distinctly urban phenomenon, and it is in cities that the distinctions between the first world and the third world are becoming increasingly blurred.

894. While cities present enormous challenges for social development, they also provide opportunities. Cities regroup economic strengths, social diversity and cultural heritage. The contribution of cities to GNP commonly exceeds their percentage of national population. Cities also provide the opportunity to create niches of local action in the face of growing interdependence. While nations may be losing some of their power and autonomy in social and economic policy, local governments and in particular municipal governments, and with them civil society, have gained ground. A number of Governments have reported on establishing specific urban policies, and social preoccupations — fighting social exclusion, creating employment and eradicating poverty — are often at the centre of these urban policies. It is at the local level, in particular in cities, where the costs of social exclusion and the benefits of integration are most visible.

895. Cities also have a number of comparative advantages for the implementation of social policy. Regulations influencing employment creation through small and medium-sized enterprises or through the informal sector are often enforced if not designed, at the local level. Cities and local governments are controlling a larger share of national investment resources, and they usually are able to exercise greater flexibility in allocating and reallocating these resources for a greater impact on social concerns. Furthermore, programmes and policies to create jobs or to fight exclusion are usually most effective when based on the alliances of actors working at the local level, where political posturing can be most easily set aside in favour of practical results. Such alliances may include municipal governments, neighbourhood associations, trade unions, employers and civil society organizations. Therefore, urbanization, as well posing new threats to social development, may also provide some answers as to the way forward.

C. Conclusion

896. Many of the issues raised above are closely interrelated. For example, the decrease in resources available for social development is related to the increase in post-conflict needs and crisis resolution. The need to rehabilitate the state is related to the need to address growing inequality in the world through new redistributive mechanisms. The informalization of employment and the growth of the working poor are directly linked to the need to improve modalities for financing social services. The need to mobilize new resources for social development is related to the fact that the international community is entering largely uncharted waters when it comes to the social development strategies adapted to globalization. The challenges posed by liberalization can find at least partial answers in the strengthening of local development actors and of civil society.

897. Many Governments have reported on formulating national action plans for poverty alleviation or for employment creation. While the formulation of plans and setting targets and goals represent a first step, progress in achieving these goals is lagging behind. A number of developing countries have relied on international development cooperation to establish national action plans for social development only to discover that necessary resources for implementing these plans are not forthcoming. To the extent that setting up such national plans has been conducted through a participatory process, expectations have been raised only to be subsequently disappointed.

898. As the preparatory process for the special session examines international targets in social development, it

becomes especially important to integrate into this process specific measures to decrease the gap between commitment and implementation, or rather between expectations and final outcome, not by lowering expectations but rather by improving outcomes. The above issues point to a number of possible avenues of action for improving outcomes. All these issues are of universal concern, that is, they are relevant to Governments and local communities in every region of the world, irrespective of level of development, albeit to different degrees or with respect to different roles. These issues have been identified as common threads passing through a critical mass of national reports and they all have operational implications. They could provide the seeds for further operational initiatives to be adopted by the General Assembly at its special session.

899. In conclusion, new initiatives will have to embrace an integrated approach to social development. Political will and ownership for such initiatives will have to be mobilized by developing specific constituencies around given sets of issues, such as in the fields of employment, health and education. However, the constituents or stakeholders representing given issues will also have to read beyond their given sectors if sustainable solutions are to be found. The key to good health may be found in decent work, and the key to full employment may be found in access to education for all. Successful implementation of the Copenhagen commitments necessitates combining renewed political will with the ability to translate commitment into action, and with the courage to reach beyond one's own constituency and sector towards integrated partnerships for social development.

900. The Preparatory Committee for the Special Session has decided that the special session of the General Assembly should not renegotiate the commitments made at Copenhagen in 1995. The challenge facing the General Assembly is therefore rather to develop the political will, the policies, concrete strategies and practical tools necessary to put those commitments into practice.

Notes

[1] The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, adopted by the General Assembly in its resolution 45/158 of 18 December 1990, has to date been ratified by 12 Member States and has not yet entered into force (see http://www.unhchr.ch/html/menu3/b/m_mwctoc.htm); and "The rights of migrant workers", UNHCHR fact sheet, No. 24, accessed at http://www.unhchr.ch/html/menu6/2/fs24.htm.

[2] See IMF, "Review of social issues and policies in IMF-supported programmes", August 1999.

[3] See UNDP, *Human Development Report, 1997* (New York, Oxford University Press, 1997).

[4] Ibid.; it should be noted that the 1970 figure for poverty in India may be based on different assumptions for the more recent figures on poverty in India quoted.

[5] Data for 1992 and 1994 are taken from World Bank, *World Development Indicators*, 1997 and 1999 editions.

[6] See Mahbub Ul Haq and Khadija Haq, "Human development challenges in South Asia" (Islamabad, Human Development Centre, 1998); see also Khadija Haq, "Human development challenges in South Asia", paper delivered at the *First Global Forum on Human Development*, New York, 30 July 1999.

[7] See UNDP, *UNDP Poverty Report 1998: Overcoming Human Poverty* (New York, 1998).

[8] World Bank, op. cit., 1997 and 1999.

[9] United Nations, annual report of the United Nations resident coordinator system in Bangladesh, 1998.

[10] See World Bank, *1998 Bangladesh Poverty Assessment* (Washington, D.C., 1999).

[11] See Ul Haq and Haq, op. cit.

[12] See United Nations, 1998 annual report of the United Nations resident coordinator in Pakistan, Islamabad, February 1999. See also World Bank, Pakistan economic report, 7 April 1999.

[13] See UNDP, *Nepal Human Development Report 1998*.

[14] See World Bank, *Poverty in Nepal at the Turn of the 21st Century* (Kathmandu, 1999).

[15] See United Nations, 1998 annual report of the resident coordinator (Kathmandu, 1999).

[16] See World Bank, *Sri Lanka Poverty Assessment* (January 1995).

[17] See United Nations, annual report of the United Nations coordinator in Sri Lanka (Colombo, 1999).

[18] See United Nations, annual report of the United Nations coordinator on the activities of United Nations agencies and departments in the Islamic Republic of Iran (Tehran, April 1999).

[19] See United Nations, 1998 annual report of the United Nations resident coordinator in Bhutan (Thimphu, 1999).

[20] See International Labour Office, *World Employment Report 1998-99, Employability in the Global Economy — How Training Matters* (Geneva, 1999), table 3; the figures are 2.5 per cent in Bangladesh, 11.3 per cent in Sri Lanka, both for 1996, and 5.4 per cent in Pakistan in 1995; no official unemployment data on India more recent than 1995 was listed.

[21] See United Nations, *World Economic and Social Survey 1999* and World Bank, *World Bank Poverty Update — Trends in Poverty*, May 1999. (United Nations publication, Sales No. E.99.II.C.1).

[22] See ILO, op. cit., derived from table I.6, p. 17.

[23] See International Labour Office, *World Employment Report 1998-99, Employability in the Global Economy — How Training Matters* (Geneva, 1999), table 3.

[24] See International Labour Office, *Facts and Figures on Child Labour* (Geneva, May 1999).

[25] See ILO press release, No. ILO/99/22 (17 June 1999).

[26] See United Nations, 1998 annual report of the United Nations resident coordinator in Maldives, 1999.

[27] See United Nations, *World Population Estimates and Projects, 1998 Revision* (United Nations publication, Sales No. 99.13.8).

[28] Islamic social welfare fund.

[29] See United Nations, 1998 report of the United Nations resident coordinator in Pakistan, 1999.

[30] See UNDP, Human Development Report 1999 (New York, Oxford University Press, 1999).

[31] See United Nations, *World Economic and Social Survey, 1999* (United Nations publication, Sales No. E.99.II.C.1); and Asian Development Bank, *Asian Development Outlook Update 1999*, 15 September 1999.

[32] See World Bank, *China: Macroeconomic Update*, 13 July 1999.

[33] See Government of China, national report on the implementation of the outcome of the World Summit for Social Development (June 1999).

[34] See World Bank, *Indonesia: Macroeconomic Update*, 13 July 1999.

[35] See World Bank, *Korea: Macroeconomic Update*, 13 July 1999.

[36] See United Nations, annual report of the resident coordinator, Republic of Korea, 1998, Seoul, 1999.

[37] See World Bank, *Thailand: Macroeconomic Update*, 13 July 1999.

[38] See World Bank, *Thailand Social Monitor*, Issue No. 2, August 1999.

[39] See United Nations resident coordinator system, 1998 annual report: Thailand, January 1999.

[40] See Government of the Philippines, progress report on the implementation of the World Summit for Social Development Commitments, June 1999.

[41] See World Bank, *Philippines: Macroeconomic Update*, 13 July 1999.

[42] See Asian Development Bank, *Asian Development Outlook 1999* (19 April 1999).

[43] See ILO, report of the Director-General entitled "Decent work", International Labour Conference, eighty-seventh session, 1999; see also Eddy Lee, *The Asian Financial Crisis: The Challenge for Social Policy* (Geneva, ILO, 1998).

[44] See Asian Development Bank, Asian development outlook update: Asia recovers faster than expected, press release, 14 September 1999.

[45] See United Nations, *Economic and Social Survey of Asia and the Pacific*, 1999.

[46] See World Bank, *Malaysia: Macroeconomic Update*, 13 July 1999; figure on migration is from the ILO, "The ILO's response to the financial crisis in Asia: evolution of the Asian financial crisis and determination of policy needs and response", 274th session of the ILO Governing Body, Geneva, Paper No. GB.274/4/2 (March 1999).

[47] See Government of Singapore, Singapore's country report on the implementation of the outcome of the World Summit for Social Development (August 1999).

[48] See World Bank, *Viet Nam: Macroeconomic Update*, 13 July 1999.

[49] See Government of Cambodia, Ministry of Planning, "Cambodia's response to the Copenhagen Declaration" (June 1999).

[50] See World Bank, *World Bank Poverty Update: Trends in Poverty* (1999).

[51] See World Bank, Gender Dimensions of the East Asia Crisis, January 1999.

[52] See International Labour Office, "The ILO's response to the financial crisis in East and South-East Asia: the Asian financial crisis, the challenge for social policy", 274th session of the ILO Governing Body, Geneva, Paper No. GB.274/4/1 (March 1999).

[53] See Yongsok Choi and Chae-Shick Chung, "Social impact of the Korean economic crisis", paper submitted to an interregional workshop on social implications of the financial crisis and expert group meeting on the agenda for action on social development in the ESCAP region, Bangkok, 25-27 May 1999.

[54] See *World Economic and Social Survey 1999* (United Nations publication, Sales No. E.99.II.C.1).

[55] See B. Milanovic, "Income, inequality and poverty during the transition from planned to market economy" (Washington, D.C., World Bank, 1998).

[56] See UNDP, *Human Development Report for Central and Eastern Europe and the CIS, 1999* (New York, 1999).

[57] See UNDP, op. cit.; and Oxford Analytica, *East Europe Brief*, 15 September 1999.

[58] Institute of Economic Problems of the Transition Period, *The Russian Economy in 1998: Trends and Perspectives*, part 3, *The Social Sphere* (Moscow, 1999).

[59] See UNDP, op. cit.

[60] Data of Goskomstat (Moscow, 1999).

[61] See Interstate Statistical Committee of the Commonwealth of Independent States, *Statistical Abstract: Population and Living Conditions in the CIS Countries* (Moscow, 1998).

[62] See UNICEF, *Education for All? The MONEE Project*, Regional Monitoring Report No. 5 (Florence, 1998), table 8.1.

[63] See UNICEF, op. cit.

[64] See Office of the United Nations High Commissioner for Refugees (UNHCR), *Refugees and Others of Concern to UNHCR: 1998 Statistical Overview* (Geneva, 1999), table 1.3.

[65] See *Women, Law and Development International* (Washington, D.C., November 1999).

[66] See European Bank for Reconstruction and Development, *Transition Report 1999: Ten years of Transition* (London, 1999), table 6.3.

[67] See Inter-American Development Bank, *Economic and Social Progress in Latin America, 1998-1999* (Washington, D.C.) 1999.

[68] See ECLAC, *Economic and Social Survey of Latin America and the Caribbean, 1997-1998* (Santiago, 1998).

[69] See ECLAC, *Panorama Social de América Latina, 1998* (Santiago, 1998).

[70] See ECLAC, "Poverty in the Caribbean", Caribbean subregional review of the World Summit for Social Development and the status of the older person (Port-of-Spain, August 1999).

[71] See ECLAC, *Panorama Social de América Latina* (Santiago, 1998).

[72] See ECLAC, "Globalization and employment in the Caribbean: a review of labour market policies and development in the 1990s in light of the commitments of the World Summit for Social Development", Caribbean subregional review on the World Summit for Social Development and the status of the older person (Port-of-Spain, August 1999).

[73] Ibid.

[74] See ECLAC, *Social Panorama of Latin America, 1997* (United Nations publication, Sales No. E.98.II.G.3).

[75] See ECLAC, "Progress on social integration in the Caribbean: 1994-1999", Caribbean subregional review on the World Summit for Social Development and the status of the older person (Port-of-Spain, August 1999).

[76] See International Disability Foundation and the Winchester Group, *Disability 99: The World Disability Report*.

[77] World Bank estimates tend to be lower than those produced by other international agencies. For instance, in Tunisia, ILO estimates are twice as high as those of the World Bank. But in Egypt, the same data from the 1990/91 household surveys led to the production of four different poverty estimates, ranging from 20.7 per cent to 46.6 per cent, depending on the definition of the poverty threshold.

[78] According to the World Bank *1999 World Development Indicators*, only Algeria of the Arab countries has data for the second half of the decade (1995). However, Egypt conducted a household income and expenditure survey in 1995/96.

[79] See Egypt, *National Human Development Report, 1996* (Cairo); but the percentage of overall poor increased in the same period, and the findings of the *Report* are not shared by ESCWA (see E/ESCWA/ED/1997/13).

[80] In 1996-1997, the Moroccan GNP declined by 2.2 per cent, and the Syrian GNP increased by 9 per cent (see World Bank, *World Development Indicators*, table 1.1).

[81] See World Bank, "Will Arab workers prosper or be left out in the twenty-first century?", in *Regional Perspectives on the World Development Report, 1995*.

[82] See Nader Farajani, "The challenge of full employment in Arab countries", paper prepared for the regional preparatory meeting for the Arab Conference on Integrated Follow-up to Global Conferences: follow-up of the World Summit for Social Development, Beirut, 8-11 December 1998 (E/ESCWA/SD/1998/WG.1/5).

[83] The income share of the 20 per cent poorest individuals in Egypt is 8.7 per cent against 2.5 per cent in Brazil and 4.8 in the United States of America; see World Bank, *World Development Indicators*, table 2.8.

[84] See UNDP, *Human Development Report, 1999* (New York, Oxford University Press, 1999).

[85] See Ridwan al-Sayyid, "The role of traditional social welfare systems (Zakat and Waqf) in social development", paper presented at a UNDP/United Nations regional workshop on governance for social development, Beirut, December 1998.

[86] Based on United Nations population estimates, as available at http//:www.undp.org/popin/wtrends/ura/buraras.htm.

[87] See UNESCO, *World Education Report 1998* (Paris, 1998), table 3.

[88] The *SIPRI Yearbook 1998* attributes the renewed tension in the Middle East peace process to new Israeli settlement and the outbreaks of terrorist activity. See also G. Kossaifi, "Poverty in Western Asia: a socio-political approach", in UNDP/United Nations, *Preventing and Eradicating Poverty in the Arab Region* (New York, 1998). On the basis of different sources, he estimates the sum of the costs of the Iran-Iraq war, the Gulf war, the Yemeni war and the Lebanese war at 904 billion dollars.

[89] See ECA, *Economic Report on Africa 1999: The Challenges of Poverty Reduction and Sustainability* (Addis Ababa, 1999).

[90] See Paul Collier and Jan Willem Gunning, "Why has Africa grown slowly?" *Journal of Economic Perspectives*, vol. 13, No. 3 (summer 1999).

[91] See UNDP, *Progress against Poverty in Africa*, (1998); T. Paul Schultz, "Health and schooling investments in Africa", *Journal of Economic Perspectives* (summer 1990); and John Sender, "Africa's economic performance: limitations of the current consensus", *Journal of Economic Perspectives* (summer, 1999).

[92] See Lucia C. Hanmer, Graham Pyatt and Howard White, "What do the World Bank's poverty assessments teach us about poverty in sub-Saharan Africa?", *Development and Change*, vol. 30 (1999).

[93] See UNDP, op. cit.

[94] See Sender, op. cit.

[95] See ECA, op. cit.

[96] See AIDS epidemic update, December 1999 (UNAIDS/99.53E-WHO/CDS/CSR/EDC/99.9-WHO/FCH/HSI/99.6).

[97] See United Nations Population Division, *World Population Prospects: The 1998 Revision* (United Nations publication, Sales No. E.99.XIII.8).

[98] See A/52/871-S/1998/318; and ECA/UNDP, report of the East and Southern African subregional follow-up conference to the World Summit for Social Development, Nairobi, 15-17 March 1999.

[99] See ILO, *World Employment Report 1996/98* (Geneva); ILO, *African Employment Report, 1997/98*; and ECA, *African Economic Report 1998*.

[100] See ILO, *African Employment Report 1997/98*; and ECA, *African Economic Report 1998*.

[101] See ECA/UNDP, report of the East and Southern African subregional follow-up conference to the World Summit for Social Development, Nairobi, 15-17 March 1999.

[102] See "Country experiences in assessing the adequacy of public spending on basic social services", paper prepared by UNICEF and UNDP based on 20/20 country studies.

[103] See United Nations, *World Economic and Social Survey* (United Nations publication, Sales No. E.99.II.C.1).

[104] These observations are not beyond dispute; for a useful and brief guide see Robert I. Lerman, "United States wage inequality and recent immigration", *American Economic Review*, vol. 81, No. 2 (May 1999).

[105] Data of the United States Congressional Budget Office, quoted in *New York Times*, 5 September 1999.

[106] For a discussion, see Robert K. Triest, "Has poverty gotten worse?", *Journal of Economic Perspectives*, vol.12, No.1 (winter 1998).

[107] See United States Department of Health and Human Services, welfare fact sheet, 9 April 1999.

[108] See the data on employment in this section are based on the most recent editions of the *OECD Economic Survey* for each country (1998 or 1999).

[109] See International Council on Social Welfare, *From social exclusion to social integration: ICSW European Region* (Helsinki, 1999).

[110] See OECD, *A Caring World: The New Social Policy Agenda* (Paris, 1999).

Annex I

Note verbale dated 8 October 1998 concerning national reporting on the implementation of the outcome of the World Summit for Social Development

The Secretary-General of the United Nations presents his compliments to the Permanent Representative of ________ to the United Nations and has the honour to draw his/her attention to the decisions taken by the Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives.

At its organizational session held in New York from 19 to 22 May 1998, the Committee decided that the main purposes of the special session to be convened in the year 2000 will be:

(a) To reaffirm the Copenhagen Declaration on Social Development and the Programme of Action, agreed at the Summit, but not to renegotiate them;

(b) To identify progress made and constraints encountered, as well as lessons learned, in the implementation of the Declaration and Programme of Action of the Summit at the national, regional and international levels;

(c) To recommend concrete actions and initiatives to strengthen efforts towards full and effective implementation of the Declaration and Programme of Action of the Summit.

The Preparatory Committee requested the Secretary-General to submit to it at its second substantive session, in the year 2000, a comprehensive document assessing the overall level of implementation of the outcome of the Summit, including the identification of constraints, obstacles, successes and lessons learned, as well as recommendations on further actions and initiatives at the national and international levels.

The Committee also requested the Secretary-General to formulate as soon as possible general guidelines, as well as a structure and common framework for national reporting on the progress made and obstacles encountered in the implementation of the follow-up to the Summit. Furthermore, the Secretary-General was requested to invite Governments to provide pertinent information regarding specific practical measures undertaken in response to the recommendations of the Summit, as well as to assist them, at their request, in providing this information.

Accordingly, the attached guidelines (see appendix) have been formulated as a framework for response by Governments. While responses will naturally vary according to national political and social contexts, the guidelines are expected, nevertheless, to ensure a reasonable degree of comparability and coherence in the analysis of the data received from countries. In view of the concerns expressed by Governments regarding the need for better coordination of the mandated requests for national reports, the proposed guidelines focus on specific relevant policies rather than on data available to the Secretariat from other national or international sources.

It would be useful in the responses to provide information on the role of other actors in the implementation of the outcome of the Summit, such as non-governmental organizations, the private sector and other members of civil society.

His/Her Excellency's Government is also invited to indicate in the responses progress towards gender mainstreaming.

The Secretary-General would appreciate receiving the replies by 30 June 1999 at the very latest in order to allow sufficient time for preparation of the comprehensive report on implementation. To facilitate communication on this subject between His/Her Excellency's Government and the United Nations Secretariat, the Secretary-General would also appreciate if His/Her Excellency's Government would indicate a specific government official (his/her name, address and telephone/fax numbers) with whom the Secretariat could make contact and communicate on a direct basis. This person would be considered the focal point of His/Her Excellency's Government for this exercise.

Appendix

Guidelines on national reporting on the implementation of the outcome of the World Summit for Social Development

I. Implementation

Describe the national effort being made to implement the Commitments and Programme of Action agreed at the World Summit for Social Development, including strategies, policies and specific measures introduced since the Summit, lessons learned and obstacles encountered, in the following areas:

1. Core issues addressed by the Summit

(a) Poverty eradication

Has a national strategy been adopted, strengthened or planned for the reduction of poverty? Have time-bound goals been included? What particular policies have been adopted in relation to rural and urban areas? Has any appraisal of implementation been undertaken or planned?

(b) Employment

How is the national employment goal expressed? Do macroeconomic policies give a central place to the growth of employment? What specific policies have been adopted to promote growth of employment, including in such areas as: availability of credit to small and medium businesses; monetary policies, including interest rates policies; use of small business and agricultural advisory services; training and retraining programmes; and job-creation schemes? Has employment in community services been increased?

(c) Social integration

What policy initiatives have been taken or are planned to promote and enhance social integration, based on respect for diversity and equality of opportunity for all? What policies have been elaborated to encourage participation in society, to fight discrimination and to promote equality of opportunity, in particular for disadvantaged and vulnerable groups?

2. Other issues

(a) Mobilization and utilization of resources for social development

Have any fiscal measures been introduced or changed to enable allocation of increased financial resources for social development? Are any innovative ways of funding social programmes being used? Provide an assessment of the utilization of domestic and international resources allocated to social development, including specific efforts to utilize resources more efficiently. Indicate trade-offs and options involved in the allocation of resources earmarked for social development programmes.

(b) Capacity to implement social policies and programmes

Indicate any capacity-building measures to support social policies and programmes which have been implemented or are being undertaken in your country (assessment of institutional capabilities, action by legislatures, monitoring and evaluation of the efficacy of programmes etc.).

(c) Domestic and international factors

Indicate any domestic and/or international factors favouring or constraining implementation of the commitments of the Summit.

(d) Overall assessment of the implementation process

Please provide an overall review, which relates to the implementation of the decisions of the Summit, and identify other relevant country-specific factors and elements in the context of the implementation.

II. Further initiatives

Are there any further initiatives you would like to propose for consideration by the special session, particularly recommendations for institutional or policy changes or other action at the local, national, regional and international levels? What kind of national and international measures would you suggest for overcoming difficulties encountered in the implementation of the Summit's commitments?

Annex II

National reports received

1. Algeria
2. Argentina
3. Armenia
4. Australia
5. Austria
6. Azerbaijan
7. Barbados
8. Belarus
9. Belgium
10. Benin
11. Bhutan
12. Bolivia
13. Burkina Faso
14. Burundi
15. Cambodia
16. Cameroon
17. Canada
18. China
19. Colombia
20. Côte d'Ivoire
21. Croatia
22. Cuba
23. Czech Republic
24. Democratic Republic of the Congo
25. Denmark
26. Egypt
27. Estonia
28. Ethiopia
29. Finland
30. France
31. Gambia
32. Germany
33. Iraq
34. Ireland
35. Jamaica
36. Japan
37. Jordan
38. Kazakhstan
39. Kuwait
40. Lesotho
41. Libyan Arab Jamahiriya
42. Lithuania
43. Luxembourg
44. Malaysia
45. Madagascar
46. Mali
47. Mauritania
48. Monaco
49. Mongolia
50. Morocco
51. Mozambique
52. Nepal
53. Netherlands
54. Niger
55. Nigeria
56. Pakistan
57. Panama
58. Philippines
59. Portugal
60. Romania
61. Russian Federation
62. Slovakia
63. Singapore
64. Spain
65. Sweden
66. Switzerland
67. Suriname
68. Syrian Arab Republic
69. Trinidad and Tobago
70. Tunisia
71. Ukraine
72. United Arab Emirates
73. Uzbekistan
74. Zambia

Annex III

Progress towards targets for 2000

1. The Programme of Action of the World Summit for Social Development outlined specific targets to meet the basic human needs of all. A progress review in meeting some of those goals is set out below. The present annex draws heavily on the recently revised version of the document "Charting the progress of populations",[a] a study prepared by the United Nations Population Division with the collaborative efforts of other United Nations bodies and specialized agencies, as well as the report prepared by UNICEF on the follow-up to the World Summit for Children.[b]

A. Education

Universal access to basic education and completion of primary education by at least 80 per cent of primary school children by the year 2000.

Close the gender gap in primary and secondary enrolment rates by 2005.

Universal primary education by 2015.

2. Progress has been made towards achieving these education goals but significant disparities remain, according to available information. Of the 164 countries with available data, about one third or 59 countries have a combined (male and female) primary and secondary gross enrolment ratio of 90 per cent or more, close to the goal of universal access to education, while another 56 countries fall in the 70-89 per cent range. Nearly one fifth or 29 countries, mostly in sub-Saharan Africa, still have enrolment ratios of less than 50 per cent. In some countries with economies in transition, a declining trend in gross enrolment ratio for primary and secondary school combined has been observed since the 1990s.

3. About 75 per cent of the world population under age 15 live in countries with enrolment ratios of 70 per cent or more, while 14 per cent (240 million) live in countries with enrolment ratios below 50 per cent. It is estimated that, worldwide, 130 million primary school-age children are not in school, and more than 150 million children have not reached a minimum level of education (grade 5).

4. According to UNICEF data, net primary school enrolment continues to increase at the global and regional levels. The East Asia and Pacific region has reached a level of net enrolment similar to developed countries, while the Latin America and Caribbean region maintains its steady growth. With the exception of South Africa, sub-Saharan Africa has not recovered from the fall in enrolment ratio in the 1980s and about a third of its children are enrolled in grade one.

5. There have been modest gains in closing the gender gap. The difference between male and female school enrolment rates is 12 percentage points in South Asia, nine percentage points in the Middle East and North Africa and six percentage points in sub-Saharan Africa. About two thirds of children not in school are girls. In approximately 40 per cent of countries in the world, school enrolment ratios are more than 5 percentage points higher for males than for females. In contrast, about 90 per cent of the countries in the more developed regions have gender gaps of less than five percentage points. In half of the countries in the less developed regions, enrolment ratios are significantly higher for boys than girls, except in Latin America and the Caribbean, where the gender gap is limited and in a fifth of the countries female enrolment ratios are 5 points higher than those of males. In a majority of the least developed countries, gender gaps favour males.

B. Adult illiteracy rate

Reduce adult illiteracy rate to at least half of its 1990 level, with an emphasis on female illiteracy.

6. The Overall illiteracy rate is estimated to drop from 25 per cent in 1990 to 20 per cent in 2000. At the turn of the century, there are an estimated 876 million illiterate adults, 60 per cent of whom are women.

7. The majority of the world's illiterate population comes from developing countries, mostly from sub-Saharan Africa and South Asia. In developing countries, the female illiteracy rate is close to 40 per cent, while that among men is 20 per cent. In absolute terms, about 600 million women in developing countries are illiterate compared to 300 million men.

8. Illiteracy rate in Africa was 45 per cent in 1995, while Latin America and the Caribbean had a lower rate of 13 per cent for the same year. Only 4 per cent of the Latin American countries had illiteracy rates greater than 50 per cent, in contrast to 40 per cent of the countries in Africa. Nearly 36 per cent of countries in Asia and the Pacific have illiteracy rates of less than 10 per cent. Although almost all developed countries have nearly 100 per cent literacy rates, a recent study suggests that at least 25 per cent of the adult population in OECD countries lack the minimum level of literacy necessary to adequately cope with the demands of everyday life and work.[c]

9. There is a wide gender gap in adult literacy rates in Africa and to some extent in Asia and the Pacific region. More than 50 per cent of countries in Africa and 30 per cent of countries in Asia and the Pacific have illiteracy rates that are 20 percentage points higher for females than for males. The gender disparity in literacy in Latin America and the Caribbean is not as wide.

C. Improved access to safe water supply and sanitation

Provide access to safe drinking water in sufficient quantities and proper sanitation for all on a sustainable basis.

10. Access to safe water supply continues to improve. At the global level, the number of people with access to safe water increased from 2.5 billion in 1990 to 3.3 billion in 1994. Between 1990 and 1994, the ratio of population with access to safe water increased from 45 to 58 per cent in Africa, 61 to 80 per cent in Asia and the Pacific, and 78 to 88 per cent in West Asia. In Latin America and the Caribbean, the ratio remained at 79 per cent.[d]

11. Of the 117 developing countries with data available for 1990-1998, 28 countries provide close to universal access to safe water and 59 countries supply safe water to between 50 and 90 per cent of their populations. In Latin America and the Caribbean, eight countries out of 25 have almost reached universal access to safe water and in only one country does less than 50 per cent of the population have access to safe water. Almost two thirds of the Asian countries are able to provide safe water to more than 70 per cent of their populations.

12. Access to sanitation is generally more limited than access to safe water. In 1990, only about 36 per cent of the world's population had access to sanitation. There has been some uneven improvement since. Of 112 countries with available information, 50 per cent or more of the populations in 78 countries have access to sanitation. In 19 of 27 Latin American and the Caribbean countries and 20 of 37 Asian countries, 70 per cent or more of the populations have access. In contrast, progress has been slow in Africa, where the majority of the populations in more than half of the African countries lack access to sanitation. The problem is even more acute in the least developed countries.

D. Malnutrition, among children under 5 years of age

By the year 2000, reduce severe and moderate malnutrition among children under five years of age by half of the 1990 level.

13. Two out of five children are stunted (low height for age), one in three are underweight (low weight for age) and one in 10 are wasted (low weight for height), according to surveys conducted between 1987 and 1998.[e] In addition, malnutrition is considered to be a major risk factor in under-five deaths in developing countries each year. At the global level, data indicate some gains in reducing child malnutrition, but the rate of increase has slowed down considerably in the 1990s compared to the 1980s. The ratio of malnourished children is estimated to have declined from 34 per cent in 1985 to 31 per cent in 1990 and 29 per cent in 1995. The current rate of decline is not fast enough to meet the expected target of about 15 per cent by the year 2000.

14. Progress in reducing child malnutrition has been uneven across regions. Half of the world's underweight and stunted children live in South Asia, which has the highest proportion of undernourished children and a very large population of children under five. In Africa, 33 per cent of children under five are underweight compared to 21 per cent in East and South-East Asia. The incidence is less serious in Latin America and the Caribbean.

E. Maternal mortality

By the year 2000, reduce the maternal mortality rate by one half of the 1990 level.

15. In 1990, it was estimated that 585,000 women die from complications related to pregnancy and childbirth, with more than 90 per cent occurring in developing countries. Some three million infants die within the first week of life and an additional three million stillbirths occur as a result of these complications. Furthermore, some 50 million women live with disability/permanent injury as a result of delivery and pregnancy-related complications. Related problems include some 40 to 50 million abortions carried out under unsafe conditions, about 100 million couples in need of family planning and the rising incidence of HIV/AIDS.

16. There is a wide gap in maternal mortality between developed and developing countries, with 98 per cent of all maternal deaths occurring in developing countries. It is estimated that 480 maternal deaths per 100,000 live births occur in developing countries, 18 times the rate in developed countries, at 27 deaths per 100,000 live births. Moreover, the risk of a woman dying from a pregnancy-related cause over the course of her childbearing years is 1 in 10 in developing countries, compared to 1 in 4,000 in developed countries.[f]

17. Maternal mortality shows wide disparities between and within regions. Mortality rates are highest in Africa, where 80 per cent of countries had a maternal mortality ratio of 500 or more according to 1990 data. Almost half of the least developed countries have ratios over 1,000. Significant efforts are needed in countries with highest levels of maternal mortality to achieve the goal of cutting the maternal mortality rate in half at below 125. The situation is very uneven in countries in Asia and Oceania, where maternal mortality rates range from less than 30 to as high as over 1,000 per 100,000 births. In Latin America and the Caribbean, a majority of countries have mortality ratios of less than 200.

F. Infant mortality and under-5 mortality rate

By the year 2000, reduce mortality rates of infants (under one year of age) and children under five years of age by one third of the 1990 level, or 50 to 70 per 1,000 live births, respectively, whichever is less. By the year 2015, the infant mortality rates should be below 35 per 1,000 live births and the under-5 mortality rate below 45 per 1,000.

18. Some progress has been made in reducing infant mortality rates. At the global level, half of the world's countries are estimated to have already reached the target set for 2015 of an infant mortality rate below 35 per 1,000 live births. However, while all the more developed countries have met the goal, only 40 per cent of developing countries have rates below the goal for 2015. Gains have been uneven across regions. In Latin America and the Caribbean, about 70 per cent of countries have already achieved the 2015 goal, while 50 per cent in Asia and the Pacific and 8 per cent in Africa have done so.

19. Several countries still have to meet the more immediate goal of infant mortality rates at less than 50 per 1,000 live births set for 2000. About 90 per cent of countries in Africa fall short of the 2000 goals, in particular nearly 48 countries in Eastern, Western and Middle Africa. In Asia and the Pacific, 17 countries are off target, while only three countries in Latin America still need to meet the 2000 goal.

20. During the first half of the 1990s, infant mortality rates deteriorated in African countries experiencing civil and ethnic conflicts. Apart from Africa, infant mortality rates increased in Albania, Belarus, Estonia, Latvia, Lithuania, Ukraine and Iraq. In addition, achieving lower infant mortality rates has been problematic for countries like Azerbaijan, Armenia, Bulgaria, Georgia, the Republic of Moldova, the Russian Federation, Tajikistan and Uzbekistan during the second half of the 1990s.

21. The under-five mortality rate has been on the decline in the 1990s. At the global level, all countries from the developed regions have achieved the goal of under-5 mortality rates below 45 per 1,000, while only about 40 per cent of the countries from developing regions have under-5 mortality rates below the goals for 2015. UNICEF estimates that the majority of

children live in countries that are behind in achieving the global goal, especially in sub-Saharan Africa and South Asia. On the more immediate goal of reducing under-5 mortality rate to 70 by the year 2000, only 10 per cent of Latin American and Caribbean countries fall short, compared to about 90 per cent of African countries which have rates above the goal. The rates are particularly high for countries in Eastern Africa, Western Africa and Middle Africa. Measures to accelerate the rate of reduction in under-5 mortality rates are needed in sub-Saharan Africa and South Asia, which account for 72 per cent of deaths of children under five years of age.

G. Life expectancy

> *Life expectancy of not less than 60 years in any country by the year 2000.*

22. Life expectancy at birth continues to increase in both developing and developed countries. The global average life expectancy is currently 65 years (63 years for males and 68 years for females). As of 1995-2000, about 70 per cent of countries have achieved the 2000 goal of a life expectancy of 60 years. All developed countries and all economies in transition of Eastern Europe and Central Asia have already met this target. Nonetheless, in several of the countries in the Commonwealth of Independent States, life expectancy levels observed in 1985-1990 could not be maintained as they deteriorated with the transition to the market system. Some post-socialist countries in this group are projected to regain their 1985-1990 level of life expectancy only by 2005-2010.

23. The situation is even less encouraging in some developing countries. In Africa, life expectancy is lower than 60 years in 41 out of 53 countries in 1995-2000. Based on current assumptions, 28 countries in sub-Saharan Africa are projected to achieve a 60-year life expectancy only after 2020-2025. The AIDS epidemic has had a big impact on reducing life expectancy in some of the hardest-hit African countries (adult HIV prevalence of 1.7 per cent or greater) in 1995-2000.[F] In Botswana, for example, it is estimated that 20 years of life expectancy will be lost and 5.2 per cent of the population will be lost to AIDS by 2000. In contrast, in Latin America and the Caribbean, only one country has not met the goal of 60 years. In Asia and Oceania, 49 of 57 countries with data have already achieved a life expectancy of 60 years.

H. Malaria mortality and morbidity

> *Strengthen efforts to reduce malaria mortality and morbidity by at least 20 per cent in the year 2000 compared to 1995 levels in at least 75 per cent of affected countries.*

24. Malaria currently affects 101 countries with a combined population of 2.4 billion or 40 per cent of the global population. More than one million deaths annually are estimated to be caused by the disease. More than 90 per cent of all malaria cases are in sub-Saharan Africa. Children are at a particularly high risk, especially those living in areas with poor access to health services. Other high-risk groups include pregnant women, refugees and displaced people.

25. Global action against malaria has been carried out within the framework of the Global Malaria Control Strategy sponsored by WHO and other organizations. Highest priority is given to sub-Saharan Africa. The Strategy aims to provide early diagnosis and treatment; implement preventive measures; detect epidemics; and strengthen local capacities. Most of the malaria-endemic African countries have completed additional plans of action for malaria control. In addition, the newly independent States of Central Asia and the Caucasus have developed national plans to counter the resurgence of malaria in their countries. At the global level, more than 90 per cent of countries affected by the disease are implementing malaria control programmes, thus meeting established targets. In several countries, however, those plans are still at their initial stages of implementation and financial support for malaria control has been far from adequate.

26. Most recently, there is a strong and growing commitment in support of actions against malaria. The Roll Back Malaria programme is one of the top priorities of the renewed WHO. The programme is aimed at reducing malaria, developing endemic countries' health systems and building new means of tackling global health concerns. The new initiative will build on current malaria efforts and the Global Malaria Control Strategy. It will focus first on Africa. This campaign represents a global partnership, drawn from malaria-affected countries, United Nations bodies, bilateral development agencies, development banks, non-governmental organizations and the private sector. On 30 October 1998, UNDP, UNICEF, the World Bank and WHO announced that the four agencies were

launching the programme jointly and would cooperate in all aspects of its activities.

Notes

[a] See documents ESA/P/WP.149 of 1 December 1998 and ST/ESA/SER.R/151 of 8 December 1999.

[b] See E/ICEF/1999/9 of 5 April 1999.

[c] See UNDP, *Human Development Report 1998* (New York, Oxford University Press, 1998).

[d] See WHO/UNICEF, *Water Supply and Sanitation Sector Monitoring Report 1996* (1996).

[e] See FAO, *The State of Food Insecurity in the World 1999* (Rome, 1999).

[f] Based on a WHO press release, 28 October 1999.

[g] See United Nations, *The World at Six Billion*.